

SPECIAL COMMITTEE REPORT**Spec. Com. Rep. No. 1**

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1991, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected Senators whose respective terms of office will expire November 8, 1994 are:

Third Senatorial District

A. Leiomalama Solomon

Fifth Senatorial District

Rick Reed

Sixth Senatorial District

Randy Iwase

Seventh Senatorial District

Gerald T. Hagino

Eighth Senatorial District

Michael J. McCartney

Thirteenth Senatorial District

Bertrand Y. Kobayashi

Sixteenth Senatorial District

Russell Blair

Seventeenth Senatorial District

Anthony K.U. Chang

Nineteenth Senatorial District

Dennis M. Nakasato

Twenty-Second Senatorial District

Eloise Yamashita Tungpalan

Twenty-Fourth Senatorial District

James Aki

Twenty-Fifth Senatorial District

Lehua Fernandes Salling.

Signed by Senators Hagino, Aki and George.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1 on H.B. No. 1453

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for emergency tourism promotions.

Your Committee finds that recent events have shown the vulnerability of the Hawaii economy to visitor slowdowns caused by external, uncontrollable factors.

Your Committee further finds that the latest information from the Hawaii Visitors Bureau shows signs of recovery in the visitor industry, but the speed and extent of the recovery still remains uncertain. The economy will still show a net loss for the 2nd and 3rd quarters and the recovery will still not make up for the losses in the early part of the year.

Furthermore, your Committee finds that reporting on use of the appropriation and the effectiveness of the campaign allows careful assessment of the results of the promotion, enabling the department to better handle future campaigns, should another economic emergency occur.

Your Committee amended the bill by:

- (1) Removing the reference to the counties in the first paragraph of the purpose section; and
- (2) Requiring the department to report to the Legislature;

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1453, 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. 1453, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Nakasato, Solomon and George.
Managers on the part of the Senate.

Representatives Cachola, Souki, Kanoho, Lee, Say and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 2 on S.B. No. 1766

The purpose of this bill is to require the use of solar energy for heating water in residential housing constructed on state lands, constructed with state funds, or subsidized by the State.

Your Committee finds that there is a need to promote the use of solar energy for water heating to reduce the State's reliance on imported fuels, and that solar water heating is particularly suitable for the climate conditions that exist in Hawaii.

Your Committee also finds that non-profit corporations should be encouraged to use solar energy in all projects where solar energy water heating would be effective and practical.

Your Committee has amended the bill by deleting the proviso giving the Housing Development and Finance Corporation the authority to require alternative devices in multi-unit buildings or where solar water heating equipment is not practical or efficient.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1766, 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. 1766, S.D. 1, H.D. 2, C.D. 1.

Senators Crozier, Aki and Reed.
Managers on the part of the Senate.

Representatives Hiraki, Say, Hagino, Kawakami, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 3 on S.B. No. 1250

The purpose of this bill is to clarify that the Housing Finance and Development Corporation is not liable or responsible for the condition or quality of land which it condemns for the purpose of lease to fee simple conversion under Chapter 516, Hawaii Revised Statutes.

Your Committee has amended this bill by correcting a drafting error.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1250, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1250, H.D. 1, C.D. 1.

Senators Crozier, Aki and Reed.
Managers on the part of the Senate.

Representatives Isbell, Metcalf, Amaral, Bainum, Kawakami, Morihara and Tatibouet

Managers on the part of the House.

Conf. Com. Rep. No. 4 on S.B. No. 1567

The purpose of this bill is to prohibit the sale of cigarettes from vending machines except in a bar, cabaret, or any establishment for which the minimum age for admission is eighteen.

Your Committee finds that although current law prohibits a minor from purchasing tobacco products, many minors illegally purchase cigarettes from vending machines, most of which are left unattended and unsupervised. This measure proposes to regulate the dispensing of tobacco products and make cigarette vending machines less accessible to minors by allowing them only in establishments that do not admit minors.

Your Committee has amended this bill by clarifying that violations are subject to a fine of up to \$1,000 per day for each violation.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1567, 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. 1567, S.D. 1, H.D. 1, C.D. 1.

Senators McMurdo, Levin and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Shon, Metcalf, Amaral, Arakaki, Bainum, Hagino and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 5 on H.B. No. 1952

The purpose of this bill is to make it easier for farmers and ranchers to locate bona fide accessory agricultural services and uses on agricultural lands even when the agricultural activities (such as cultivation of crops or pasturing of livestock) to which the services and uses are accessory are not conducted on the same premise (tax map key parcel). This bill would also:

- (1) Add farm buildings and vehicle and equipment storage areas to the list of permitted accessory agricultural uses;
- (2) Narrow the type of dwellings permitted on agricultural land to farm dwellings and employee housing;
- (3) Permit clustering of farm dwellings within agricultural parks developed by the State; and
- (4) Permit, but not mandate, the counties to further define accessory agricultural services and uses.

To reconcile the differences between the respective Houses, your Committee on Conference has amended this measure to require that to be accessory to the permitted agricultural activities, a service or use must support the agricultural activities of the fee or leasehold owners.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1952, 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. 1952, H.D. 1, S.D. 1, C.D. 1.

Senators Holt, Chang and George.
Managers on the part of the Senate.

Representatives Honda, Cachola, Chang, Tajiri and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 6 on H.B. No. 1998

The purpose of this bill is to protect information, given to insurance examiners during the course of an examination of an insurance company, that may not be appropriate for public disclosure for as long as the Insurance Commissioner deems prudent.

The insurance examiners' working papers currently are not protected from disclosure, and are open to public inspection. Normally, certain papers presented to the examiners would be confidential under Chapter 92F, Hawaii Revised Statutes (HRS), the Uniform Information Act (Modified), but for the fact that the Insurance Code deems all records of the Insurance Division to be public records. This bill amends the Insurance Code to protect the confidentiality of certain records.

Your Committee approves of the intent of the bill, but finds that the language used in subsection (f)(4) regarding records normally protected under Chapter 92F, HRS, is unclear because it appears to give the Commissioner discretion to disclose protected information. Your Committee therefore amends the bill by deleting lines 15-16, and inserting a new subsection (g) clarifying that the Commissioner has no discretion to disclose any information that is otherwise exempt from disclosure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1998, 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. 1998, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Iwase and Koki.
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Amaral, Morihara, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 7 on H.B. No. 411

The purpose of this bill, as received, is to authorize the respective county liquor commissions to deny or restrict the issuance of new liquor licenses for the on-site sale and consumption by the drink, to any applicant whose establishment would be located within six-hundred feet of an existing school, church, hospital, or playground. In addition, this measure clarifies that a public or private beach is not to be construed as a playground.

Your Committee notes that while it is concerned about the establishment of new liquor licensees near places frequented by minors, it is also concerned about an over-broad delegation of authority to the county liquor commissions to carry out state policy.

After extensive discussion, your Committee has amended this bill by:

- (1) Clarifying that the term "liquor commission" refers to the commission or agency of each county;
- (2) Expanding the description of "school" to include public and private elementary, intermediate, and high schools;
- (3) Allowing the liquor commission or agency to prohibit or restrict the issuance of liquor licenses to applicants whose establishments are located near public playgrounds utilized extensively by minors, as determined by the respective county liquor agencies;
- (4) Excluding public and private day care centers located in or adjacent to commercial areas, public and private beaches, and resort areas and hotel liquor license applicants from the provisions of this bill; and
- (5) Clarifying the distance between the boundary of a school or public playground and the boundary of the license applicant's establishment and fixing the distance to five-hundred feet.

In addition, your Committee has reinserted the provisions of the House draft of this bill requiring trade organizations to apply to the respective county liquor regulatory agency for permits to display and/or sample alcohol at trade shows and other exhibitions.

Technical, nonsubstantive revisions were also made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 411, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 411, S.D. 1, C.D. 1.

Senators Fernandes Salling, Aki and George.
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Amaral, Bainum, Morihara and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 8 on H.B. No. 409

The purpose of this bill is to allow hotels currently holding dispenser's licenses to switch to hotel licenses without subjecting those license holders to the requirements of Sections 281-52, 281-54, and 281-57 through 281-59, Hawaii Revised Statutes, if they apply for the change of classification prior to July 30, 1992.

The original bill dealt with amendments to sections regarding entertainment on the premises of certain classes of liquor licensees. This issue is addressed in a Senate concurrent resolution requesting all the counties to consider this matter cooperatively during the interim and propose legislation for the 1992 session. Your Committee on Conference agrees that the various liquor commissions should discuss issues of mutual concern and propose legislation upon which consensus has been attained.

After further consideration, your Committee has amended this measure by substituting "may" for "shall" on page 1, line 15, thereby making it permissive rather than mandatory for hotels to change their dispenser licenses to hotel licenses.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 409, 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. 409, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, Nakasato and George.
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Amaral, Cachola, Morihara and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 9 on H.B. No. 27

The purpose of this bill is to authorize the Director of Transportation to adopt rules relating to the licensing and regulation of commercial activities on airport premises. This bill also includes criminal penalty provisions for violations.

Your Committee finds that prior to its amendment in 1980, Section 261-21, Hawaii Revised Statutes, covered penalties for violations of all administrative rules of the Department of Transportation Airports Division. When the law was amended in 1986, the penalties for violation of rules relating to the licensing and regulation of persons engaged in commercial activities in or about the airport promises were inadvertently omitted.

Your Committee further finds that it is inappropriate for a State agency to promulgate rules involving criminal penalty provisions.

Your Committee has amended this bill by amending Section 261-21, Hawaii Revised Statutes, such that any person violating Chapter 261, Hawaii Revised Statutes, shall be guilty of a misdemeanor, while persons violating rules promulgated by the Department of Transportation shall be punishable with a fine not more than \$2,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 27, 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. 27, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, Cobb and George.
Managers on the part of the Senate.

Representatives Oshiro, Metcalf, Baker, Hashimoto, Takamine and Thielen.
Managers on the part of the House.

Representative Hashimoto did not sign the report.

Conf. Com. Rep. No. 10 on H.B. No. 387

The purpose of this bill is to provide statutory guidelines for the issuance of driver's licenses to persons with epilepsy. This bill also modifies the membership of the Medical Advisory Board.

Your Committee finds that the State of Hawaii presently does not have statutory guidelines for the issuance of driver's licenses to persons with epilepsy. Your Committee further finds that the Medical Advisory Board, which is charged with the responsibility of developing a system for the medical evaluation of persons whom an examiner of drivers has reason to believe has a mental or physical condition which may impair their driving ability, currently uses guidelines published by the Department of Transportation, National Highway Traffic Safety Administration. These guidelines recommend a one-year, seizure-free period prior to the issuance of a driver's license.

Your Committee also finds that research is available which may support the establishment of a seizure-free period prior to the issuance of a driver's license which is less than that suggested by the National Highway Traffic Safety Administration.

Your Committee has amended this bill by deleting statutory guidelines for the issuance of driver's licenses to persons with epilepsy. It is the intent of the Committee to allow the Medical Advisory Board the opportunity to evaluate the feasibility of modifying the duration of the seizure-free period prior to the issuance of a driver's license.

Your Committee has also made technical, non-substantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 387, 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. 387, H.D. 2, S.D. 1, C.D. 1.

Senators Fernandes Salling, Cobb and George.
Managers on the part of the Senate.

Representatives Oshiro, Shon, Metcalf, Duldulao, Hagino, Hashimoto and Ward.
Managers on the part of the House.

Representative Hashimoto did not sign the report.

Conf. Com. Rep. No. 11 on H.B. No. 826

The purpose of this bill is to strengthen and clarify the regulation of real estate licenses by requiring:

- (1) A real estate broker's place of business to display associated real estate salespersons' licenses, as well as by mandating branch offices to be licensed, and site offices to be registered with the Real Estate Commission; and
- (2) A condominium hotel operator to be either a sole proprietor, partnership, or corporation.

This bill also provides an additional prerequisite of financial integrity for licensing, and allows the suspension or revocation of a broker's or salesperson's license for failure to maintain a reputation of honesty, truthfulness, financial integrity, and fair dealing.

Your Committee has amended this measure by:

- (1) Restoring the provisions of a previous draft, which, in addition to the aforementioned stipulations, require salespersons or brokers to file an application disclosing prescribed information for any change in licensing status;
- (2) Clarifying the first paragraph of Section 467-11 in Section 2 of the bill by specifying that all fees shall be deposited to the general fund and allocated to the Real Estate Education Fund as provided in rules adopted by the Director of Commerce and Consumer Affairs pursuant to Chapter 91, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 826, 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. 826, H.D. 1, S.D. 1, C.D. 1.

Senators, Ikeda, Crozier, Iwase and Koki.
Managers on the part of the Senate

Representatives Hirono, Morihara, Oshiro, Yoshimura and Thielen.
Managers on the part of the House.

Representative Yoshimura did not sign the report.

Conf. Com. Rep. No. 12 on H.B. No. 936

The purpose of this bill is to require State and county agencies receiving grants or loans from the State Water Pollution Revolving Fund to mandate the installation of approved low flow water fixtures in all new residential and public buildings beginning July 1, 1993.

Your Committee has amended this bill by changing the date to require installation of low flow water fixtures from July 1, 1993 to December 31, 1992. Your Committee believes this amendment would allow sufficient time for all parties to prepare for this requirement but not delay, more than necessary, the conservation of our fresh water resources.

Your Committee is deeply concerned with the precarious position of the State in regard to sufficient and readily available water supplies.

Your Committee recognizes that plans are being implemented for hundreds of new housing units and would like to request that the planning and building departments of each county urge developers and individual homebuilders to utilize low flow plumbing fixtures and devices before granting building permits.

Your Committee also amended this bill by deleting Section 2 in its entirety. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 936, 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. 936, H.D. 2, S.D. 1, C.D. 1.

Senators Chang, Levin and Reed.
Managers on the part of the Senate.

Representatives Hiraki, Metcalf, Amaral, Morihara, Santiago and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 13 on H.B. No. 925

The purpose of this bill is to amend Chapter 342N, Hawaii Revised Statutes (HRS), by adding and clarifying provisions to ensure the proper management and disposal of used oil.

Your Committee has made the following amendments to this bill:

- (1) Section 1 was amended by amending Section 342N-8(b), HRS, to clarify that the fines imposed are civil penalties and by deleting language imposing sentence terms and inserting language to reflect that a person would be guilty of a petty misdemeanor for the first conviction and guilty of a misdemeanor for subsequent convictions; and
- (2) Section 2 was amended by reinserting some of the language contained in Section 2 of H.D. 2 of this bill. The following language was not reinserted:
 - (A) Language which would have made exemptions from the prohibition applicable only to discharges onto the ground. Your Committee feels that the exemptions should be applicable to all water paths mentioned in Section 342N-30, HRS;
 - (B) Language indicating that the exemption from prohibition would apply only if the vehicle or equipment was properly functioning. Your Committee feels that it may be difficult to determine whether a vehicle or piece of equipment is properly functioning; and

(C) Language which would have exempted releases subject to the reporting requirements under Chapter 128D, HRS. Your Committee feels that only because the release is subject to 128D it should not be exempted under Chapter 342N, HRS.

- (3) Section 7 was amended by inserting a proviso that amendments made to Section 342N-30(c), HRS, by this bill would be repealed once rules are effective for field screening tests and its reporting requirements; and
- (4) Other amendments for purposes of style and clarity were made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 925, 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. 925, H.D. 2, S.D. 1, C.D. 1.

Senators Chang, Ikeda and Reed.
Managers on the part of the Senate.

Representatives Hiraki, Shon, Metcalf, Amaral, Bainum, Morihara, Santiago and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 14 on H.B. No. 928

The purpose of this bill is to amend Chapter 342I, Hawaii Revised Statutes, to prevent the improper disposal of lead acid battery electrolyte fluid and to ensure the proper management and disposal of used lead acid batteries.

Your Committee has amended this bill to clarify that the recordkeeping requirements do not apply when facilities accept fewer than five batteries from an individual per day. Your Committee recognizes that this exemption is for individuals who replace their own batteries, and the clarification was made so that the exemption would not be subject to abuse.

Your Committee has also amended this bill by amending the penalty provision as follows:

- (1) Language was added to clarify that the penalties in subsection (a) are civil and the penalties in subsection (b) are criminal; and
- (2) The fine for violating Chapter 342I, Hawaii Revised Statutes, was changed from "not more than \$10,000 per day for each day of each separate offense" to "not more than \$10,000 for each separate offense."

Other amendments for purposes of style and clarity were made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 928, 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. 928, H.D. 2, S.D. 1, C.D. 1.

Senators Chang, Solomon and Reed.
Managers on the part of the Senate.

Representatives Hiraki, Metcalf, Say, Chang, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 15 on H.B. No. 760

The purpose of this bill is to extend Act 214, Session Laws of Hawaii, 1990, by extending the Act's repeal date of June 30, 1991 to June 30, 1993. The bill further amends the Act by:

- (1) Prohibiting activity desks from using activity brochures that do not clearly display the name and telephone number of the activity provider;
- (2) Barring the withdrawal of funds from a client trust account, other than a fifteen percent sales commission, or a refund to a consumer, until the activity provider has been paid; and
- (3) Authorizing activity associations to file suit for injunctive and declaratory relief and receive attorney fees, though not damages.

Your Committee finds that there is a need for regulations regarding activity providers and activity desks and that the extension of this chapter will allow for an assessment of these provisions and an adequate time to monitor the impact of the law.

Your Committee has amended the bill as follows:

- (1) Clarified the section of the bill regarding prohibited acts so that activity desks must only display the name and phone numbers of activity providers who are providing an activity in the State of Hawaii. Therefore, this restriction does not apply to brochures that advertise activities located outside of Hawaii;
- (2) Amended the definition of "activity provider" to specifically exempt sellers of airline tickets or coupons, such as those used for Aloha Airlines or Hawaiian Airlines;

- (3) Required activity desks to maintain client trust accounts and set forth provisions regarding maintenance of and withdrawal from such accounts;
- (4) Set a maximum liability of \$10,000 for first time violators; and
- (5) Corrected Ramseyer errors to this bill for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 760, 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. 760, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Cobb, Iwase, McCartney and Koki.
Managers on the part of the Senate.

Representatives Hirono, Cachola, Hiraki, Morihara and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 16 on H.B. No. 664

The purposes of this bill are to:

- (1) Amend Part IV of Chapter 514-A, Hawaii Revised Statutes, by establishing a chronological system as the method for reserving owner-occupied units;
- (2) Limit the use of a power of attorney for reserving condominium units;
- (3) Extend the period of time for publication by a developer of the notice of intention to sell a project;
- (4) Require that the developer file a copy of the announcement with the real estate commission at least thirty days prior to its publication;
- (5) Give first opportunity to persons seeking a "principal place of residence"; and
- (6) Provide self-enforcement mechanisms which will aid in reducing violations.

Your Committee has amended the bill by providing that the developer of condominium units has the choice of a chronological or a public lottery system for developing the final reservation list for owner-occupied units and by reinstating the requirement that a person's intent to be an owner-occupant be reaffirmed by affidavit at the time of closing. Additionally, your Committee has made non-substantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 664, 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. 664, H.D. 2, S.D. 1, C.D. 1.

Senators Crozier, Aki and Reed.
Managers on the part of the Senate.

Representatives Isbell, Hirono, Arakaki, Bainum, Chun, Shon and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 17 on H.B. No. 922

The purpose of this bill is to clarify that violations of environmental laws that extend over multiple days will be penalized as separate offenses for each day the violation remains unabated and that there are no caps on the penalties paid by polluters for a violation or multiple violations on any one day. The bill also requires that moneys collected as fines and penalties for violations of environmental laws be deposited into the environmental response revolving fund, provided that any amount in excess of \$3,000,000 be transferred to the general fund.

Your Committee has amended this bill by including the contents of Section 2 of S.B. No. 771, S.D. 1, H.D. 1, into this bill, and by including a definition for "littering" in Chapter 339, Hawaii Revised Statutes.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 922, 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. 922, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, Levin and George
Managers on the part of the Senate.

Representatives Hiraki, Metcalf, Hirono, Morihara, Santiago, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 18 on H.B. No. 544

The purpose of this bill is to authorize the continuance of the "Operation Nightingale" program for four more years to enable a greater number of nursing school graduates to pass the written nursing licensing examinations. The bill also includes a blank appropriation for the implementation of the program.

Your Committee has amended this measure by:

- (1) Deleting Sections 3-4, page 8, lines 15-21. These Sections provide appropriations for the program.
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 544, 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. 544, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Levin, McMurdo and Koki.
Managers on the part of the Senate.

Representatives Shon, Say, Arakaki, Duldulao, Kanoho, Kawakami and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 19 on H.B. No. 824

The purpose of this bill is to allow candidates for the nursing license examination, who provide proof that they have completed the educational curriculum required to take the examination for a nursing license, to obtain temporary non-renewable nursing permits. This will enable candidates who have met all the educational requirements to be eligible for a temporary permit even though all of the documentation required (i.e. transcript, diploma) is not available at the time of application for a temporary permit. Further, we have students enrolled in a four-year nursing program who after two years could qualify to sit for the licensing examination because they have satisfied the educational curriculum for a license. This will enable these qualified groups of students to sit for the examination.

Your Committee has amended the bill by:

- (1) Requiring the applicant to complete the entire educational curriculum required for graduation for a nursing license; and
- (2) Correcting a drafting error in Section 1, Page 1, Line 18 of the Senate Draft.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 824, 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. 824, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Cobb, Iwase, Tungpalan and Koki.
Managers on the part of the Senate.

Senator Cobb did not sign the report.

Representatives Shon, Hirono, Amaral, Cachola, Duldulao and Tatibouet.
Managers on the part of the House.

Representative Tatibouet did not sign the report.

Conf. Com. Rep. No. 20 on H.B. No. 937

The purpose of this bill is to authorize the Department of Health (Department) to establish charges and collect fees for any of its services, and to prohibit the Department from refusing to provide services to any person due to the person's inability to pay the fee for the service.

Your Committee finds that this bill will clarify the authority of the Department of Health to establish these charges and collect these fees.

The bill has been amended by making technical, nonsubstantive changes for purposes of style and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 937, 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. 937, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Levin, McMurdo and Koki.
Managers on the part of the Senate.

Representatives Shon, Say, Amaral, Bainum and Duldulao.
Managers on the part of the House

Representative Tatibouet did not sign the report.

Conf. Com. Rep. No. 21 on H.B. No. 1685

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

Specifically, this bill authorizes the issuance of special purpose revenue bonds in the sum of:

- (1) \$39,000,000 to the Queen's Health Systems and its not-for-profit subsidiary for a skilled nursing facility, a Halawa laundry and storage facility, and other long-term care facilities;
- (2) \$20,000,000 to the G.N. Wilcox Memorial Hospital or G.N. Wilcox Health Center Properties to finance the purchase of the Kauai Medical Group building, refinance short-term bond equipment purchases, construct a parking facility and expand ancillary and support space, renovate an emergency room, and purchase imaging and diagnostic equipment; and
- (3) \$135,000,000 to assist the Episcopal Homes of Hawaii, Inc., to plan, design, and construct a senior citizens lifecare retirement community.

After serious consideration, your Committee has amended the bill by:

- (1) Reducing the bonds issued in Section 3 to \$9,500,000 by removing the issuance of \$10,500,000 to G.N. Wilcox Memorial Hospital for financing the purchase of the Kauai Medical Group Building. It was brought to the attention of the Committee that this purchase may conflict with the not-for-profit status of Wilcox;
- (2) Adding the requirements for all three not-for-profit organizations to obtain a certificate of need approval from the State Health Planning and Development Agency; and
- (3) Making other technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1685, 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. 1685, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Kobayashi, A., Levin, McMurdo and Koki.
Managers on the part of the Senate.

Representatives Shon, Souki, Chun, Duldulao, Kanoho and Tatibouet.
Managers on the part of the House.

Representative Tatibouet did not sign the report.

Conf. Com. Rep. No. 22 on H.B. No. 964

The purpose of this bill is to amend provisions of the Uniformed Control Substances Act.

Among other things, this bill will:

- (1) Require out-patient medical facilities that stock drugs used by several physicians to register as a clinic and follow regulations regarding the centralized ordering, storing, record-keeping, and dispensing of controlled substances;
- (2) Expand and clarify the definitions of "administer," "dispense," and "practitioner";
- (3) Add the opiate, "glutethimide," to the list of Schedule II controlled substances;
- (4) Repeal the current definitional provisions pertaining to anabolic steroids and add anabolic steroids to the list of Schedule III controlled substances;
- (5) Provide that an individual practitioner may not prescribe or dispense certain controlled substances for one's own use except in a medical emergency;
- (6) Require accurate recordkeeping of Schedule II, III, IV, and V controlled substances administered, prescribed, and dispensed for two years; and
- (7) Require registration of methadone treatment programs.

Upon reconsideration, your Committee has amended this bill as follows:

- (1) Deleted the supervisory requirements related to a licensed or registered health care professional who administers a controlled substance at the direction of a practitioner;
- (2) Clarified that a person who violates the provisions of Section 329-42, Hawaii Revised Statutes (HRS), is guilty of a class C felony;
- (3) Made "doctor-shopping" a prohibited act by providing that it is a crime when a person visits more than one practitioner for the purpose of obtaining one or more controlled substance prescriptions for quantities that:
 - (A) Exceed what any single practitioner would have prescribed or dispensed for the time period and legitimate medical purpose represented; and

- (B) Would constitute an offense pursuant to part IV of Chapter 712, HRS;
- (4) Provided that any person who is in violation of "doctor-shopping," as provided in item (3) above, is guilty of a crime of the grade and class identical to that imposed under part IV of chapter 712, HRS, for the same type and equivalent quantity of controlled substance; and
- (5) Made technical, nonsubstantive amendments for the purposes of clarity and style.

With regard to the "doctor-shopping" provisions of this bill, it is the intent of your Committee that part IV of chapter 712, HRS, be used as a guide in determining the applicable grade and class of crime. For example, if a person in violation of doctor-shopping under this bill obtained more than twenty-five capsules of a schedule III substance, in determining the applicable grade and class of crime, Section 712-1246, relating to promoting a harmful drug in the third degree, would apply since that section applies to quantities of twenty-five or more capsules containing one or more of the harmful drugs, i.e., schedule III or IV substances.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 964, 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. 964, H.D. 2, S.D. 1, C.D. 1.

Senators Blair, McMurdo and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Shon, Metcalf, Amaral, Arakaki, Bainum, Hagino and Ward.
Managers on the part of the Senate.

Representatives Arakaki and Ward did not sign the report.

Conf. Com. Rep. No. 23 on H.B. No. 666

The purpose of this bill is to improve the financial solvency and planning of apartment owners' associations by requiring these entities to prepare budgets and establish reserves for future expenses.

Your Committee finds that the failure to establish adequate reserves can impose considerable hardship on the unit owners in the form of large and unexpected special assessments. In many instances there is no accumulation of reserves for a number of years, then units are sold leaving the successors with an obligation to pay for the lack of reserves.

In addition to the need for budgets and adequate reserves, your Committee finds that the lack of provisions to prohibit associations of apartment owners from unnecessarily exceeding the annual operating budget significantly limits the effectiveness of this measure. Your Committee further finds that the term "deferred maintenance", as utilized throughout this measure, may be misinterpreted by apartment owners to mean maintenance costs that are waived or postponed.

Accordingly, after discussion and careful deliberation, your Committee has amended this bill by:

- (1) Prohibiting an apartment association from exceeding its adopted budget by twenty percent in a fiscal year, except in emergency situations;
- (2) Defining the term "emergency situation" to include extraordinary expenses incurred for court costs, costs attributed to ensure the safety of apartment dwellers, and unforeseen repair and maintenance costs;
- (3) Replacing references to the term "deferred maintenance" with the term "major maintenance" and defining the term; and
- (4) Including the "association", among those to be insulated from liability for a good faith effort to calculate the estimated cash reserves;
- (5) Substituting the term "substantially" for the term "totally" in page 2, line 16 of S.D. 1; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 666, 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. 666, H.D. 1, S.D. 1, C.D. 1.

Senators Crozier, Aki and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Hirono, Bainum, Morihara, Peters and Thielen.
Managers on the part of the House.

Representative Peters did not sign the report.

Conf. Com. Rep. No. 24 on H.B. No. 1989

The purpose of this bill is to provide condominium owners a clear, simple and inexpensive procedure for handling disputes over fee assessments claimed by the association. It is not the intent of this bill to enlarge the authority of associations to impose or collect assessments. This bill also makes a condominium owner liable for reasonable attorney's fees and costs if the owner files a suit without first making a good faith effort to resolve assessment disputes through mediation or arbitration and if the owner's claims are not substantiated in the court action.

Your Committee amended the bill by using the House version of Section 514A-94(b)(2) and clarifying that an owner is not liable for the above-referenced fees and costs if the owner has first submitted the claim in good faith to mediation or arbitration, or if the case was filed in small claims court.

In addition, your Committee amended Section 1 of the bill, to allow apartment owners to file in small claims court or mediate the dispute. Either party may submit to arbitration, in the event that mediation does not succeed. This diversity of choices, small claims court, mediation or arbitration provides the parties with more alternatives.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1989, 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. 1989, H.D. 1, S.D. 1, C.D. 1.

Senators Crozier, Aki and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Hirono, Amaral, Arakaki, Morihara and Thielen.
Managers on the part of the House.

Representative Arakaki did not sign the report.

Conf. Com. Rep. No. 25 on H.B. No. 1985

The purpose of this bill is to amend the laws relating to residential lease disclosure requirements.

The House and Senate versions of the bill varied greatly. In brief, the House bill amended Chapters 516 and 516D, Hawaii Revised Statutes, to include a civil penalty for failure to comply with simplified leasehold disclosure requirements and to provide for certain exceptions to the leasehold disclosure requirements, while the Senate draft incorporated S.B. 1469, S.D. 1, which required the use of a statutorily-worded standard disclosure document as part of the sales contract on leasehold property.

Your Committee combined certain features of the House and Senate positions and amended the bill as follows:

- (1) Provided for the use of an optional standardized disclosure form similar to that set forth in the S.D. 1;
- (2) Included civil penalties for failure to comply with disclosure requirements;
- (3) Deleted the requirement that receipt of lease information becomes a part of the DROA (deposit, receipt, offer, and acceptance);
- (4) Eliminated the requirement that buyers sign two copies of the receipt for lease information;
- (5) Increased throughout the bill the amount of time, from five days to ten, that buyers have to review documents;
- (6) Noted that sales, for the purposes of leasehold disclosure, do not include transfers to a co-owner, spouse, parent, or child of the seller, or transfer ordered by the court;
- (7) Allowed buyers other than natural persons, such as corporations, to waive the disclosure requirements; and
- (8) Made other minor, non-substantive amendments to the present statute to correct grammatical errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1985, 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. 1985, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Crozier and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Hirono, Bainum, Metcalf, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 26 on H.B. No. 114

The purpose of this bill is to require that amendments to condominium declarations be approved by, but no more than, seventy-five percent of the owners; except in the following situations:

- (1) Declarations for projects having five or fewer apartments may provide for approval by more than seventy-five percent of the owners; and
- (2) Declarations of mixed use projects containing residential and commercial use may provide that the consent of the owner of the commercial use portion be required in order to amend the declaration.

Your Committee recognizes that this latter exception was intended to prevent oppression of owners of commercial apartments in a mixed use building. Your Committee amended the bill to delete this exception because changes to shared interests are presently addressed in the Hawaii Revised Statutes (HRS).

The definition of "limited common elements" in Section 514A-3, HRS, ensures that all parties affected by any change must consent to such change. "Common interests" may not be altered without the consent of all affected parties, pursuant to Section 514A-13, HRS. Although Section 514A-14(d)(1), HRS, appears to allow change of use of the common elements by only seventy-five percent of the owners, the 1989 case Penney v. Assn. of Apt. Owners of Hale Kaanapali holds that any change of use of a common element which diminishes the common interest appurtenant to each apartment requires the consent of all apartment owners. In so doing, the case closes the loophole that the Senate contemplated in this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 114, 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. 114, H.D. 1, S.D. 1, C.D. 1.

Senators Crozier, Aki and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Hirono, Bainum, Hagino, Morihara and Ward.
Managers on the part of the House.

Representative Ward did not sign the report.

Conf. Com. Rep. No. 27 on H.B. No. 949

The purpose of this bill is to broaden the State's authority to enforce Hawaii's fishing laws by authorizing any enforcement officer of the Department of Land and Natural Resources or other enforcement officer of the State to examine and search:

- (1) The contents of any bag or container used to carry aquatic life; or
- (2) Any vehicle or conveyance used to transport aquatic life.

Your Committee has made a technical amendment on line 14 of this bill by re-phrasing the term "a violation of Hawaii's fishing laws" to "a violation of the fishing laws of the State". Your Committee has further amended this bill to correct technical drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 949, 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. 949, H.D. 1, S.D. 1, C.D. 1.

Senators Chang, Hagino and Reed.
Managers on the part of the Senate.

Representatives Stegmaier, Ihara Jr., Metcalf, Apo, Bunda, Hashimoto, Yoshimura and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 28 on H.B. No. 505

The purpose of this bill is to amend Chapter 205A, Hawaii Revised Statutes, relating to Coastal Zone Management by increasing the cost threshold which distinguishes developments requiring "special management area minor permits" from developments requiring "special management area use permits", by increasing the threshold cost of a development from \$65,000 to \$125,000.

The valuation of the special management area minor permit has not changed since 1982. At that time, the threshold was increased from \$25,000 to the current \$65,000. Since then, development and construction costs have increased substantially. Projects which used to be valued under \$65,000 and produced no substantial adverse effects were processed as minor permits. However, due to the increased construction costs, these same projects are now required to apply for special management area use permits (also known as major permits) even when adverse effects are minimal. The process for obtaining a major permit is lengthy and involves an environmental assessment, a public hearing, and an elaborate public decision-making process.

Upon further consideration, your Committee has made a technical amendment on page 4, line 14 of this bill by transferring the phrase "provided that" to line 15 between the phrase "[C] Whenever]" and "whenever". The intent of this amendment is to clarify that the provision language on page 4, lines 15 to 21 of this bill is not limited to item (15).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 505, 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. 505, H.D. 1, S.D. 1, C.D. 1.

Senators Holt, Iwase and George.
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Stegmaier, Apo, Morihara, Santiago, Yoshimura and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 29 on H.B. No. 972

The purpose of this bill is to prohibit longline fishing within the boundaries of the State's territorial sea, the State's marine waters, or within the prohibited area which may be established by the federal government, whichever is greater.

Your Committee's deliberations were based, in part, on the following considerations:

- (1) A recognition that the regulation of longline fishing may be subject to change as new information is obtained with regard to the issues of gear conflict as well as sustainable yield;
- (2) A determination to reduce confrontations between longline fishermen and troller boat fishermen by physically assigning them to different fishing areas; and
- (3) A desire to reduce confusion by developing regulations that are consistent with federal rules.

Based on these considerations, your Committee has amended this bill as follows:

- (1) Replaced the phrase, "consisting of two mainlines, each over fifteen miles in length", in subsection (a) of the new section, with the phrase, "consisting of at least one mainline over one nautical mile in length" This amendment broadens the definition of longline fishing.
- (2) Rephrased the provisions in subsection (b) of the new section by deleting references to the State's marine waters and to the federal prohibited area. With this amendment, longline fishing would only be prohibited within the boundaries of the State's territorial sea.
- (3) Inserted a new subsection (c) into the new section in which the State adopts by reference the rules adopted by the Western Pacific Regional Fishery Management Council (WPRFMC) for the management and regulation of longline fishing activities. In addition, this new subsection also makes it unlawful for any person to possess, land, sell, or offer for sale any marine life taken by longline fishing gear which is prohibited by rules adopted by WPRFMC. Finally, this subsection provides that any person or vessel fishing within the prohibited areas shall be in violation of the law.
- (4) Inserted a new subsection (d) into the new section which authorizes the State to enforce the provisions of this bill within the State's marine waters and those areas under WPRFMC's jurisdiction where WPRFMC has entered into a mutual working agreement with the State to carry out these rules, including the joint deputizing of law enforcement officials.
- (5) Made technical, non-substantive amendments to the bill for the purposes of style and clarity.

Finally, your Committee strongly urges both houses to consider the establishment of an interim legislative group to review existing information on the fishery resources found in the waters of the state. In this regard, your Committee recommends that the interim legislative group:

- (1) Focus on the major factors that appear to contribute to the depletion of the fishery resource, especially the impact of longline fishing activities; and
- (2) Evaluate the effectiveness of any new rules adopted by the Western Pacific Regional Fishery Management Council to regulate longline fishing activities in sustaining the fishery resource and resolving other problems associated with this issue.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 972, 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. 972, H.D. 2, S.D. 1, C.D. 1.

Senators Chang, Levin and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Stegmaier, Metcalf, Amaral, Apo, Bunda, Santiago, Young and O'Kieffe.
Managers on the part of the House.

Representative Bunda did not sign the report.

Conf. Com. Rep. No. 30 on H.B. No. 1304

The purpose of this bill is to prohibit loitering in a public place for the purpose of engaging in or advancing prostitution.

Your Committee on Conference finds that loitering statutes are constitutionally suspect and difficult to sustain in the courts. The more severe penalties for loitering tend to have a higher probability of being unconstitutional. Therefore, your Committee on Conference reluctantly decreased the penalties in order to have a measure that effectively discourages loitering for prostitution and would still pass constitutional scrutiny. The repeal date of this Act was also deleted to allow this Act to remain in effect.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1304, 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. 1304, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Holt and Reed.
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Bainum, Hirono and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 31 on H.B. No. 1016

The purpose of this bill is to make technical and substantive changes to Part XIV, Chapter 286, Hawaii Revised Statutes, to facilitate the implementation of the administrative revocation program as established in 1990.

Your Committee on Conference has amended this bill as follows:

- (1) By inserting the words "review or" on line 18, page 3, to disallow any criminal prosecution where no administrative revocation is ordered at the administrative review level;
- (2) By amending Sections 9, 10, and 12 to allow the director to consider the refusal to submit to a chemical test as a factor in determining the period of revocation under Section 286-261;
- (3) By amending Section 10(k) to allow the director discretion in granting an extension of the temporary permit;
- (4) By amending Section 11 to require the arrestee to file a petition for judicial review within thirty days after the administrative hearing decision is mailed;
- (5) By deleting from Section 11 the requirement that the prosecution be present at the hearing in order to preserve the right to request judicial review;
- (6) By inserting into Section 11 a qualification on judicial review that no decision shall be reversed unless the court is of the opinion that the error at the hearing level has injuriously affected the substantial rights of the appellant;
- (7) By deleting Section 13 and by renumbering subsequent sections as appropriate; and
- (8) By making technical changes on line 4 of page 8, line 23 of page 10, lines 14 and 15 of page 12, lines 5 and 6 of page 13, line 1 of page 16, line 1 of page 18, and line 16 of page 25.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1016, 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. 1016, H.D. 1, S.D. 1, C.D. 1.

Senators Fernandes Salling, Blair and George.
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Bainum, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 32 on H.B. No. 515

The purpose of this bill is to expand the Medical Treatment Decision Law to give adults greater control over decisions affecting their own medical care by:

- (1) Permitting a person to draft a living will that sets forth whether food and water should be continued, withheld or withdrawn;
- (2) Permitting a living will to take effect not only when a person is terminally ill, but also in situations where a person has permanently lost the ability to communicate these desires;
- (3) Deleting the notary requirement for execution of a valid living will;
- (4) Suggesting a sample declaration form that contains a checklist to document whether or not the person wishes to be sustained by feeding tubes;

- (5) Allowing a patient to revoke a living will by (a) a clear oral statement to the attending physician or (b) a clear oral statement to two adult witnesses who then communicate the statement to the doctor; and
- (6) Providing that if a declaration fails to state that food and fluids should be withheld, there is a rebuttable presumption that the declarant wishes to receive them.

Your Committee on Conference has carefully weighed the merits of a simple and informal living will procedure against those of a more formalistic one and finds in favor of a more structured process. These amendments, therefore, retain the statute's original requirements of two witnesses and notarization of all signatures at the same time. Your Committee finds that the execution of a living will is a serious matter. Any possible inconvenience in obtaining a notary is outweighed by the satisfaction of knowing that the decision was thoroughly thought through.

To further reflect the seriousness of the process, the Committee has added the requirement that in order to be enforceable, all living wills executed after July 1, 1992 must minimally include the checklist set forth in the Declaration sample form in Section 327D-4.

The decision to add this requirement is designed to reinforce the principle that a person has the right to choose whether to have food and water provided, withheld or withdrawn. Nevertheless, your Committee recognizes that a certain number living wills will inevitably be executed without the required checklist. Although not enforceable, these documents are credible evidence of the declarant's intent.

To further reflect the seriousness of the entire process of executing a living will, your committee has amended the revocation process to parallel current probate code provisions.

Further, your Committee fully intends that these amendments remain neutral and free of any attempt to sway a person to decide what whether life sustaining food and fluids should be provided or withheld. Consequently, the bill as amended deletes subsection 327D-23(b). This subsection would have established a rebuttable presumption that a person wished to receive food and water unless that person specified otherwise.

Finally, these amendments provide certain definitional and technical changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 515, 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. 515, H.D. 1, S.D. 2, C.D. 1.

Senators Blair, Levin, McMurdo and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Metcalf, Shon, Amaral, Arakaki, Bainum, Hiraki, Isbell and Thielen.
Managers on the part of the House.

Representative Hiraki did not sign the report.

Conf. Com. Rep. No. 33 on H.B. No. 816

The purpose of this bill is to allow the State Comptroller to deposit moneys received from the settlement of claims or losses of the State into the State Risk Management Revolving Fund.

Currently, moneys received from the settlement of claims or for losses of the State reverts to the General Fund. The deposit of these moneys in the State Risk Management Revolving Fund will enable the State to ensure a timely restoration of public services and repair or replacement of state property.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 816, 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. 816, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Metcalf, Souki, Hiraki, Hirono, Ige, M., Takamine and Thielen.
Managers on the part of the House.

Representative Ige, M., did not sign the report.

Conf. Com. Rep. No. 34 on H.B. No. 934

The purpose of this bill is to amend the procedures for changing, registering, and reporting names at the time of a marriage, divorce, or birth of a child by:

- (1) Authorizing couples, upon marriage, to declare their middle and last names they will use;
- (2) Clarifying that the registered name of a child born in wedlock may be chosen by one parent, or by a court, if the parents are unable to agree;
- (3) Authorizing a person, in a divorce proceeding, to request resumption of the middle and last name used prior to marriage or from a previous marriage; and
- (4) Repealing a redundant law pertaining to the reporting of names of newborn children.

This bill, as originally introduced, contained language to limit the choice of middle names which may be selected by individuals upon marriage. This language was subsequently deleted in order to allow complete discretion in choosing a middle name, in particular, to allow a person to choose the spouse's last name as a middle name.

However, your Committee finds that the deletion of this language is not consistent with the original purpose of this measure, which, in essence, sought to streamline the name change procedures by allowing individuals to change their middle and last names upon marriage using their current legal names or the name or names listed on their birth certificates without the necessity of applying for an official name change order issued by the Lieutenant Governor.

Your Committee, therefore, has amended this bill by providing that upon marriage, a person may choose a middle name that is the person's last name or the last name of the person's spouse, or the middle name or names given on the person's birth certificate, or a combination of the middle name or names on the person's birth certificate and the person's last name.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 934, 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. 934, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Holt, and Reed.
Managers on the part of the Senate

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Hiraki, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 35 on H.B. No. 1012

The purposes of this bill are:

- (1) To clarify who may serve investigative subpoenas;
- (2) To require that the issuer of the subpoena reimburse a financial institution for costs incurred in complying with the subpoena; and
- (3) To provide immunity from civil liability for releasing information in compliance with investigative subpoenas.

This bill was amended by deleting the requirement that the issuer of the subpoena reimburse a financial institution for costs incurred in complying with the subpoena. Technical amendments have also been made for the purposes of style and clarity.

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

Senators Yamasaki, Blair, Hagino and Koki.
Managers on the part of the Senate

Senator Koki did not sign the report.

Representatives Metcalf, Amaral, Hirono, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 36 on H.B. No. 1918

The purpose of this bill is to replace the term "larceny" with the term "theft" in the definition of "racketeering activity".

Your Committee finds that because our penal code uses the term "theft" rather than the common law term, "larceny", your Committee believes that this housekeeping measure is necessary to conform this section with the rest of the code.

This measure was amended by replacing the term "arson" with the term "criminal property damage" in the definition of "racketeering activity" since "arson" is not defined in the Hawaii Revised Statutes.

Your Committee also made a technical, nonsubstantive change for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1918, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1918, S.D. 1, C.D. 1.

Senators Blair, Matsuura and Reed.
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Morihara, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 37 on H.B. No. 1891

The purpose of this bill is to amend Section 584-6 of Hawaii's Uniform Parentage Act pertaining to procedures for commencing paternity actions, to clarify who may file and time limits within which to file paternity actions. More specifically, the bill:

- (1) Clarifies that a child's guardian ad litem and not the child's personal representative may file an action for paternity;
- (2) Clarifies that the child's natural mother, whether married or unmarried at the time the child was conceived may bring a paternity action;
- (3) Provides that, if the natural father is deceased, the father's parent or the personal representative of the father's estate may file a paternity action. This is in conformance with the provision pertaining to cases in which the mother is deceased;
- (4) Provides that a presumed father or his personal representative or parent may file a paternity action;
- (5) Deletes the requirement limiting the Child Support Enforcement Agency's authority to file paternity actions only in public assistance cases, because this is inconsistent with the Agency's actual authority;
- (6) Amends references to the time limitations for paternity actions in cases where the child is subject to adoption proceedings to conform to the language in Section 584-7, Hawaii Revised Statutes, pertaining to time limitations in paternity actions in general;
- (7) Incorporates Section 584-7, Hawaii Revised Statutes, pertaining to the time within which paternity actions must be filed, into Section 584-6 with conforming amendments
- (8) Repeals Section 584-7; and
- (9) Includes a provision authorizing the court to waive notice to the husband, in a paternity action, upon a showing by affidavit from the wife stating that she has not had sexual contact or resided in the same house with the husband for at least 300 days prior to her child's birth and that, after due diligence, she is still unable to locate her husband. The affidavit must provide clear and convincing evidence to rebut the presumption that her husband is the father of her child.

For the purposes of consistency, your Committee has added the words "if the presumed father has died" to the language that allows the presumed father's parent to file a paternity action.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1891, 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. 1891, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Crozier and Reed.
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Arakaki, Hirono and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 38 on H.B. No. 22

The purpose of this bill is to amend Section 350-2, Hawaii Revised Statutes, to require the Department of Human Services (Department) to:

- (1) Promptly expunge records of child abuse or neglect cases where the reports are frivolous and unsubstantiated;
- (2) Maintain a record of the names of all persons making frivolous or unsubstantiated reports; and
- (3) Adopt rules as may be necessary in carrying out the section.

Upon reconsideration, your Committee has amended this bill by adopting the House version of the bill with the following amendments:

- (1) Clarified that a report is unsubstantiated for departmental purposes only when the Department has found the allegations contained therein to be frivolous or to have been made in bad faith; and

- (2) Clarified that the Department may retain records and information of the alleged child abuse and neglect with respect to the child that is the subject of the abuse.

Your Committee recognizes that protection must be provided for persons accused of child abuse wrongfully, frivolously or in bad faith, especially in light of the stigma that attaches to these persons because of the child abuse accusation.

Accordingly, your Committee finds that allegations of child abuse should not remain on the Department's records after having been found to be unsubstantiated, i.e., frivolous or made in bad faith, or after having been dismissed by the family court after an adjudicatory hearing on the merits.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 22, 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. 22, H.D. 2, S.D. 1, C.D. 1.

Senators McMurdo, Kobayashi, B., and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Tom, Metcalf, Amaral, Chun, Duldulao, Kawakami, Takamine and Tatibouet.
Managers on the part of the House.

Representative Tatibouet did not sign the report.

Conf. Com. Rep. No. 39 on H.B. No. 621

The purposes of this bill are to:

- (1) Provide that the establishment of guidelines or any substantial modification may constitute a change in circumstances sufficient to permit the family court and agency of the Department of the Attorney General to revise a child support order; and
- (2) Require that current guidelines be used to calculate the amount of the child support obligations.

This bill was amended by providing that the adoption of any substantive modifications to the child support guidelines may constitute a change in circumstances sufficient to permit a review of the child support order. This amendment was made since the term "substantial" was not defined in the Hawaii Revised Statutes which makes it vague as to the quantity. Also, the guidelines used to calculate the amount of the child support was amended by requiring that the most current guidelines be used.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 621, 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. 621, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Cobb, McMurdo and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Metcalf, Amaral, Bainum, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 40 on H.B. No. 363

The purpose of this bill is to:

- (1) Extend the 12 hour cooling off period during which the police can order a domestic abuser off the premises to 24 hours and if the order occurs after Friday 4:30 p.m. or on the weekend or holiday, the 24 hours will commence at 8:00 a.m. on the first day following the weekend or holiday; and
- (2) Provides that a person subject to a cooling off period is allowed to enter the premises with a police escort to collect any necessary personal effects.

Your Committee has amended this bill by mandating that if the order is violated before the expiration of a "cooling off period", the violator will be arrested. An earlier draft of this bill required an expiration of a "twenty-four hour" period. Your Committee has replaced "twenty-four hour" with "cooling off", to reflect that if the order occurs on a weekend or holiday, the time that the abusive spouse must comply with the order will be longer than 24 hours.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 363, 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. 363, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Tungpalan and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Arakaki, Hagino and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 41 on H.B. No. 1019

The purpose of this bill is to:

- (1) Provide an extension of filing deadlines for all State and county government agencies required to complete the public records report as mandated by Section 92F-18, Hawaii Revised Statutes (HRS) and Act 192, Session Laws of Hawaii 1989;
- (2) Clarify what constitutes a "formal charge" against an agency employee under the Uniform Information Practices Act (Modified), when such charges should be disclosed, and what information should be disclosed to the public; and
- (3) Substitute the word "person" for the word "individual" currently set forth in Section 92F-12(b)(2), HRS, to enable agencies to disclose any accessible government records to any person pursuant to a State or federal law.

Your Committee finds that issues related to "formal charges" or the scope and effect of written complaints alleging employment related misconduct by an agency employee are currently in litigation pending disposition by the courts. As a consequence, your Committee believes that attempts to clarify the scope and effect of a "formal charge" is premature at the present time.

Therefore, this bill has been amended by:

- (1) Deleting all proposed amendments related to the delineation of a "formal charge" against an agency employee, when such charges should be disclosed, and what information should be disclosed to the public; and
- (2) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1019, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1019, S.D. 2, C.D. 1.

Senators Blair, Mizuguchi and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Bainum, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 42 on H.B. No. 1017

The purpose of this bill is to:

- (1) Add "money laundering" to the list of offenses that are subject to asset forfeiture;
- (2) Clarify the manner of giving notice in administrative or judicial proceedings under Chapter 712A (Chapter), Hawaii Revised Statutes;
- (3) Clarify the procedures for processing administrative forfeitures, including procedures for mitigation or remission;
- (4) Establish a rebuttable presumption that any property is subject to forfeiture if the State establishes a certain standard of proof;
- (5) Indicate that an acquittal or dismissal in a criminal proceeding shall not preclude civil proceedings under this Chapter;
- (6) Permit the court to stay civil forfeiture proceedings where there is an ongoing criminal proceeding arising from the same action under this Chapter; and
- (7) Include a provision authorizing the forfeiture of weapons in accordance with the provisions of this Chapter and the Hawaii Penal Code.

Your Committee has amended this bill by:

- (1) Requiring that any petition for remission or mitigation of the forfeiture must include a reasonably complete description of the property; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1017, 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. 1017, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Holt and Reed.

Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Bainum, Cachola and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 43 on H.B. No. 201

The purpose of this bill is to require the governor to fill vacancies for unexpired terms in the state senate and house of representatives within sixty days of when the vacancy occurs. The measure further requires the appointee to be of the same political party or nonpartisanship as the person the appointee will replace.

Your Committee agrees that residents deserve to have legislative representation at all times, especially, should the vacancy occur during the legislative session.

Your Committee on Conference amended this measure to require that each appointee be of the same political party or nonpartisanship as the predecessor, at the time of vacancy. This would prevent someone from switching parties just to be eligible to fill the vacancy.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 201, 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. 201, H.D. 1, S.D. 2, C.D. 1.

Senators Blair, Hagino and George
Managers on the part of the Senate.

Representatives Metcalf, Arakaki, Hagino, Hirono and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 44 on H.B. No. 73

The purpose of this bill is to amend the definitions of sexual assault in the fourth degree and indecent exposure.

Your Committee on Conference amended this measure by adding a requirement that a person knowingly trespass on property for the purpose of surreptitious surveillance as one of the elements of sexual assault in the fourth degree, to avoid prosecuting innocent passersby and to distinguish this offense from simple trespass.

The definition of indecent exposure was amended to exclude exposing oneself to a spouse, in order to address the situation where estranged spouses who cohabit, still engage in behavior similar to that engaged in before being estranged. This would prevent spouses from bringing false charges as a means of settling domestic disputes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 73, 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. 73, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Tungpalan and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Bainum, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 45 on H.B. No. 359

The purpose of this bill, as received, is to require the Family Court to assess all divorce cases prior to mediation for, among other things, past and present abuse, and to screen out those cases that would not benefit from mediation.

Your Committee has amended this bill by restoring the original amendments to the statutory chapter cited, as introduced, which exempted battered spouses from mediation in divorce proceedings. However, battered spouses seeking this exemption will only have to present allegations of spousal abuse and not actual evidence as initially required. Your Committee believes that to require the Family Court to make a finding that evidence of spousal abuse is present may later have legal ramifications that are detrimental to related court proceedings.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 359, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 359, S.D. 1, C.D. 1.

Senators Blair, Tungpalan and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Arakaki, Hirono and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 46 on H.B. No. 1317

The purposes of this bill are:

- (1) To repeal Chapter 95 of the Hawaii Revised Statutes;
- (2) To create a new section in the penal code to address the destruction or defacing of official notices; and
- (3) To require that the official notices include a statement warning the public of the penalty for destroying the notices.

Your Committee finds that a protected notice should contain a statement that the destruction, removal, or defacement of the official notice is prohibited by law, in order to make it clear to the public the importance of the document and the consequences thereof.

This bill was amended by adding a new section 2 to increase the penalty for obstructing government operations from a petty misdemeanor to a misdemeanor in order to discourage that type of behavior. Accordingly, the remaining sections were renumbered.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1317, 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. 1317, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Holt and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Metcalf, Amaral, Hagino, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 47 on H.B. No. 1090

The purpose of this bill is to encourage the family court to investigate and, if appropriate, order counseling or community service for minors who violate Hawaii's curfew laws and their parents or guardians.

The Senate earlier amended this bill by deleting references to fines and by adding new subsections to the respective curfew statutes for minors and adults. These new subsections would allow the family court to impose an additional penalty on violators who need to be reminded of the seriousness of the violation or to provide additional services to those who may need them.

After further consideration your Committee has reinserted the House language which creates a new section titled "Sentencing for the violation of curfew" under Chapter 577, which pertains to children. However, the Senate's amendment to delete references to fines was retained.

Your Committee has also given the family court authority to order family counseling in imposing sentences for curfew violations. Your Committee finds that family counseling may be appropriate where the center of the minor's difficulties may be enmeshed within the family. References to parents or guardians who violate the curfew laws were also deleted.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1090, 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. 1090, H.D. 1, S.D. 1, C.D. 1.

Senators Blair, Crozier and Reed.
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Bainum, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 48 on H.B. No. 1230

The purpose of this bill is to strengthen the ability of the Hawaiian Homes Commission to provide water on Hawaiian home lands by establishing affirmative duties on three state agencies with responsibility for water resources in the State:

- 1) The Department of Hawaiian Home Lands (DHHL) when it allows the use of trust lands for water development projects, under Section 220, HHCA;
- 2) The Department of Land and Natural Resources (DLNR), when it issues leases of water from public lands, under HRS Section 171-58 or when it undertakes water projects under HRS Chapter 174;
- 3) The Commission on Water Resources Management in its planning, management, regulation, and conservation of water resources under HRS Chapter 174C.

In addition each county must incorporate the needs of the DHHL into each county's water use and development plan. Each of the above agencies must act, consistent with their other legal duties, to reserve adequate water resources for the current and future homestead uses by native Hawaiian homesteaders under the Hawaiian Homes Commission Act (HHCA).

Your Committee reviewed testimony regarding the problems of homesteaders on Hawaiian homelands in obtaining irrigation water for farm and pastoral lot development in areas such as Waimea and Hoolehua. To avoid this kind of problem in Waimea, Hoolehua, and elsewhere, the State hereby establishes a statutory priority reserving water to support homestead development. This bill requires the DLNR and the Water Commission to reserve water for Hawaiian homestead development when their actions could affect the future ability of homesteaders to obtain water under Section 221 of the HHCA. This bill reduces the difficult problem of withdrawing water at a future date for homestead development by requiring that agencies act to reserve water in advance.

In carrying out this duty to reserve water for the DHHL as provided for under Section 221 of the HHCA, the Commission on Water Resources Management in particular must act in a manner consistent with its other legal obligations and its own authority. At the same time that the needs of Hawaiian home lands must be honored, constitutionally protected private interests must also be respected.

Your Committee amended this bill by deleting any reference to the Winters Doctrine or to water law as it has evolved on the continental United States, which has a different history and a different set of water doctrines. This bill expressly creates as a matter of state law Hawaii's own form of water reservation for Hawaiian home lands.

Second, the bill was amended to make clear that the duty imposed on the Hawaiian Homes Commission (HHC) to reserve adequate water applies to projects it undertakes pursuant to Section 220 of the HHCA.

Third, language requiring the Board of Land and Natural Resources to obtain the HHC's prior approval was deleted, since this would invade the proper authority of the BLNR. The BLNR is obligated to notify, consult with, and jointly develop a reservation of water rights for current and future homestead needs before issuing water leases under HRS Section 171-58. Each water lease will remain subject to the rights of the HHC under Section 221 of the HHCA.

Fourth, a new subsection (n) was added to HRS Section 174C-31 requiring both the counties and the state to incorporate the needs of the DHHL into the State and County water use plans.

Fifth, language was revised to make clear that permits issued by the Water Commission will be subject to the rights of the DHHL as set forth in Section 221 of the HHCA.

Sixth, the addition to HRS subsection 174C-101(a) was modified to include planning, as well as the condition that the Water Commission decisions "incorporate and protect" adequate reserves of water for DHHL to the extent "applicable", not to the extent "practical", and in a manner "consistent with other legal requirements and authority." This addition recognizes that water on private lands may have legal protections that also must be respected and that the Water Commission itself may be restricted in its own authority to act in some situations.

Your Committee believes these changes will strengthen in very specific ways the ability of the Hawaiian Homes Commission to provide water on homestead land while at the same time respecting the proper role of other public agencies and the private uses of water.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1230, 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. 1230, H.D. 2, S.D. 1, C.D. 1.

Senators Crozier, Holt and George.
Managers on the part of the Senate.

Representatives Hagino, Metcalf, Arakaki, Ige, D., Morihara, Santiago, Young and O'Kieffe.
Managers on the part of the House.

Representative Ige, D., did not sign the report.

Conf. Com. Rep. No. 49 on H.B. No. 513

The purpose of this bill is to amend the provisions pertaining to the Reproductive Rights Committee (Committee) by:

- (1) Placing the Committee within the Department of Health, State Planning Council on Developmental Disabilities, for administrative purposes;
- (2) Changing the requirements as well as the composition of membership to the Committee;
- (3) Providing for staggered terms of Committee appointments;
- (4) Clarifying that, although they serve without pay, the members are to be reimbursed for expenses incurred during the course of Committee business; and
- (5) Authorizing the Committee to hire staff.

When the Committee was created by Act 81, Session Laws of Hawaii 1986, Act 81 did not designate the Committee's placement within the State system nor address the need for staff.

Your Committee on Conference has amended this bill by:

- (1) Renaming the Committee to the Reproductive Rights Protection Committee; and

- (2) Deleting the provision that repeals the amendments proposed by this measure on July 1, 1993 and reenacts Section 560:5-610, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 513, 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. 513, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Blair, Hagino and George.
Managers on the part of the Senate

Representatives Metcalf, Shon, Say, Amaral, Arakaki, Chun, Duldulao and Anderson.
Managers on the part of the House.

Conf. Com. Rep. No. 50 on H.B. No. 923

The purpose of this bill is to establish the statutory authority to implement an integrated state asbestos program.

Your Committee on Conference amended this bill by inserting the first house draft of this bill with technical amendments. Also, the Director of Health (Director) was given the additional duty to establish indoor asbestos emission exposure standards to allow the Director to have additional discretionary authority.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 923, 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. 923, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, Levin and George.
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Metcalf, Shon, Amaral, Bainum, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 51 on H.B. No. 2034

The purpose of this bill is to raise the minimum wage in the State of Hawaii from \$3.85 per hour to \$4.75 per hour on January 1, 1992, \$5.00 per hour on January 1, 1993, and \$5.25 per hour on January 1, 1994.

Your Committee finds that increases in the minimum hourly wage and the guaranteed monthly salary are long overdue. An increase of the minimum wage law is needed to restore the purchasing power of poor families and low-wage earners, and to ensure that Hawaii's minimum wage is adequate in relation to the federal minimum wage and national averages.

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

- (1) Increasing the guaranteed monthly salary that exempts an employee from coverage under Hawaii's Wage and Hour Law from \$1,000 to \$1,250;
- (2) Increasing the state minimum wage to \$4.75 per hour beginning April 1, 1992 and \$5.25 per hour beginning January 1, 1993;
- (3) Amending the effective date to July 1, 1991; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2034, 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. 2034, H.D. 1, S.D. 1, C.D. 1.

Senators Mizuguchi, Yamasaki and Koki
Managers on the part of the Senate.

Representatives Takamine, Souki, Kawakami, Taniguchi, Yonamine and Anderson.
Managers on the part of the House.

Conf. Com. Rep. No. 52 on H.B. No. 1124

The purpose of this bill is to:

- (1) Require the Director of Personnel Services to notify the legislature in writing not less than fourteen days before the filling of four types of exempt positions;
- (2) Require various types of information to be included in the notification; and
- (3) Exempt from statutory civil service requirements the following positions in the County Prosecuting Attorney's Offices: (1) Private Secretary to the Prosecuting Attorney; (2) Secretary to the First Deputy Prosecuting Attorney; and (3) Administrative or Executive Assistants to the Prosecuting Attorney.

Your Committee has amended this bill to increase the notification period from not less than fourteen days before filling the positions or awarding a contract to within thirty days following the filling of various positions or award of a contract.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1124, 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. 1124, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Iwase, Kobayashi, A., Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Takamine, Ihara Jr., Say, Hashimoto, Ige, M., Metcalf, Yonamine and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 53 on H.B. No. 917

The purpose of this bill is to establish the Department of Land and Natural Resources (DLNR) as the agency responsible for overseeing and administering the boating and coastal areas programs. Specifically, this measure would:

- (1) Provide for the orderly transfer of the jurisdiction, functions, powers, and duties of the boating and coastal areas programs, from the Department of Transportation (DOT) to the DLNR including the transfer of personnel, records, equipment, appropriations, and other property; and
- (2) Provide that a management team be selected by the Director of Transportation and the Chairperson of the Board of Land and Natural Resources to develop appropriate transitional plans, re-work position descriptions, review personnel classifications, develop an organizational structure, and attend to other administrative details to ensure a smooth transition.

Ocean-based recreation and coastal activities in Hawaii are now controlled in part by two different agencies; the DOT and the DLNR. Your Committee finds that the regulation and development of ocean-based recreation and coastal area use would better be accomplished through a single entity. Moreover, it is felt that the DLNR would be better able to address the impact an activity may have on the marine environment when it regulates small boat harbors, boating, and ocean-based recreation activities.

Your Committee finds that under existing statutes, DLNR and DOT enforcement personnel are authorized to enforce the other department's rules and regulations. This concurrent jurisdiction should not be altered by the transfer of DOT enforcement personnel to the Department of Public Safety (PSD) and the transfer of the boating and ocean recreation programs to DLNR. However, this measure, as received by your Committee, does not specify who will be enforcing boating, ocean recreational, and coastal area programs. It is the intent of your Committee that the marine patrol, which is currently under the DOT but will be transferred to the PSD pursuant to Act 211, Session Laws of Hawaii 1989 on July 1, 1991, will be the lead for enforcement of the sections, particularly Chapters 266 and 267, Hawaii Revised Statutes (HRS), which are transferred to DLNR by this measure. Further, to serve the interests of the public, the PSD and the DLNR must cooperate with each other and share enforcement responsibilities in land and water matters.

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

- (1) Clarifying that the PSD will be the agency primarily responsible for enforcing boating, ocean recreational, and coastal area programs;
- (2) Amending Section 199-3, (HRS), to provide that conservation and resources enforcement officers would be responsible for enforcing rules relative to the control and management of boating facilities owned or controlled by the State, ocean waters and navigable streams, and beaches encumbered with easements in favor of the public;
- (3) Requiring the PSD to report to the Legislature on how the marine patrol transferred from the DOT is being assimilated into the PSD, how the marine patrol is being utilized, and how the marine patrol is functioning and an assessment of those functions under the PSD;
- (4) Requiring the Legislative Auditor to prepare a report for the Legislature on the effectiveness of the transfer of the marine patrol from the DOT to the PSD and the potential transfer and merger of the Division of Conservation and Resource Enforcement with the marine patrol in the PSD for the effective coordination of resource management, conservation, education, enforcement, and control;
- (5) Amending the effective date of Section 171-3, HRS, to July 1, 1992;
- (6) Designating the DOT as the expending entity for the appropriation section; and
- (7) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 917, 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. 917, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Nakasato, Solomon and Koki
Managers on the part of the Senate.

Representatives Stegmaier, Baker, Metcalf, Tajiri, Apo, Bunda, Yoshimura and O'Kieffe
Managers on the part of the House.

Conf. Com. Rep. No. 54 on H.B. No. 515

The purpose of this bill is to expand the Medical Treatment Decision Law to give adults greater control over decisions affecting their own medical care by:

- (1) Permitting a person to draft a living will that sets forth whether food and water should be continued, withheld or withdrawn;
- (2) Permitting a living will to take effect not only when a person is terminally ill, but also in situations where a person has permanently lost the ability to communicate these desires;
- (3) Requiring the execution of a living will to be notarized in front of two witnesses;
- (4) Suggesting a sample declaration form that contains a checklist to document whether or not the person wishes to be sustained by feeding tubes;
- (5) Allowing a patient to revoke a living will by (a) a clear oral statement to the attending physician; or (b) a clear oral statement to two adult witnesses who then communicate the statement to the doctor; and
- (6) Requiring any living will executed after July 1, 1992 to include the checklist contained in the sample declaration.

Your Committee finds that the right to specify whether or not to withhold or withdraw hydration or nutrition in a living will is a significant change from preexisting law. The inclusion of a checklist is intended to ensure that a person executing a living will realizes the change in the law and that the option to withhold or withdraw hydration and nutrition can now be determined by the person.

The right to choose whether to have food and water provided, withheld, or withdrawn derives from a person's liberty interest but, the importance of the right requires a person to clearly understand the implications and consequences of the choice before executing a living will. To signify the importance of the choice, this bill imposes a requirement that in order to be enforceable, all living wills executed after the passage of this Act must minimally include the checklist set forth in the Declaration sample form in Section 327D-4. To clarify that this Act will substantially affect only living wills executed after July 1, 1991, your Committee has made the following amendments:

1. Changed the date from "July 1, 1992" to "July 1, 1991" for which a living will executed subsequent to this date must comply with this Act;
2. Changed the effective date of this Act from "upon its approval" to "on July 1, 1991"; and
3. Changed "shall be given effect" to "shall be effective under this chapter" on page 1, lines 5 and 6, to define living wills that are valid under this Act.
4. Changed "patient" to "person," on page 1, line 5, for the purposes of clarity.

Your Committee recognizes that some living wills may inevitably be executed without the required checklist. Although not enforceable, these documents are credible evidence of the declarant's intent.

Further, your Committee fully intends that these amendments remain neutral and free of any attempt to sway a person's decision whether life sustaining food and fluids should be provided or withheld.

Finally, these amendments provide certain definitional and technical changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 515, H.D. 1, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 515, H.D. 1, S.D. 2, C.D. 2.

Senators Blair, Levin, McMurdo and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Metcalf, Shon, Amaral, Arakaki, Bainum, Hiraki, Isbell and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 55 on H.B. No. 375

The purpose of this bill is to amend the statutory provisions relating to the Hawaii State Coordinating Council on Deafness by:

- (1) Providing for seven council members who are representatives of state or county agencies;
- (2) Replacing all references to hearing impaired individuals with "deaf, hard-of-hearing, or deaf-blind persons";

- (3) Allowing for two of the seven council members from the public to be certified or locally screened interpreters;
- (4) Prohibiting the hiring of interpreters who serve as voting council members from interpreting at council meetings; and
- (5) Providing for the council's payment of interpreter services for deaf, hard-of-hearing, or deaf-blind persons participating in programs and activities of tax-exempt organizations qualified under Section 501(c)(3) of the Internal Revenue Code of 1986.

Upon further consideration, your Committee has amended the bill by amending Section 347D-3, Hawaii Revised Statutes, to replace the reference to "hearing impaired" with "deaf, hard-of-hearing, or deaf-blind" persons. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 375, 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. 375, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Levin, McMurdo and Koki.
Managers on the part of the Senate.

Representatives Souki, Shon, Duldulao, Kawakami, Say and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 56 on H.B. No. 734

The purpose of this bill is to make the medical services excise tax credit permanent.

The Legislature, by Act 321, Session Laws of Hawaii 1989, established a refundable medical services excise tax credit. This credit returns to the resident taxpayers the general excise tax of four percent paid on qualified medical expenses. This tax credit is currently scheduled to "sunset" on December 31, 1991.

Your Committee agrees that the medical services excise tax credit provides relief to individuals with continuing and mounting medical expenses. However, your Committee believes that more study is needed before making this tax credit a permanent part of our tax laws and concurs that an extension of the tax credit will provide an opportunity for the Department of Taxation and the Legislature to evaluate the effects of this tax credit.

Accordingly, this bill has been amended to extend the medical services excise tax credit to December 31, 1996.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 734, 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. 734, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Levin, McMurdo and Koki.
Managers on the part of the Senate.

Representatives Souki, Baker, Kanoho, Say and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 57 on H.B. No. 851

The purpose of this bill is to provide for the continued operation of the state capitol tour service while the state capitol is being renovated.

The bill provides for the temporary transfer of the capitol tour service function to the office of information in the office of the governor during the renovation period and requires the office of information to formulate a plan for the implementation of a permanent capitol district tour and information program. The bill also appropriates funds for the operations of the program.

Your Committee has amended this bill by deleting all references to the renovation of the Mabel Smyth building, and purchase and installation of communications equipment.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 851, 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. 851, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Hagino, Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Fukunaga, Say, Apo, Arakaki, Duldulao and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 58 on H.B. No. 1697

The purpose of this bill is to:

- (1) Establish the Natural Area Partnership Grant program to provide state funds on a two-for-one basis with private landowners for the management of private lands that are dedicated to conservation;
- (2) Transfer the administration of the Natural Area Reserves System from the Department of Land and Natural Resources to the Board of Land and Natural Resources;
- (3) Require the Board of Land and Natural Resources to conduct public hearings before having the Governor revoke or modify an executive order that sets aside lands for the reserves system, or prior to the designation of specific types of lands into the same;
- (4) Require any balance remaining in the Natural Area Reserve Fund at the end of any fiscal year to be carried forward in the fund for the next fiscal year;
- (5) Require the Board of Land and Natural Resources to annually submit a report to the governor and the legislature setting forth the management objectives that have been completed, an analysis of the problems and issues encountered, the financial condition of the natural area reserve fund, and the management objectives for the next year;
- (6) Provide a tax credit for landowners participating in the Natural Area Partnership Grant program; and
- (7) Appropriate the sum of \$250,000 for fiscal year 1991-1992, and the same sum for fiscal year 1992-1993, to the Natural Area Reserve Fund for the Department of Land and Natural Resources to provide grants under the Natural Area Partnership Grant program.

Your Committee has amended this bill by:

- (1) Adding a new section to Chapter 195, Hawaii Revised Statutes, which would require the Department to provide an annual comprehensive status report on the Natural Area Reserves system and the Natural Area Partnership Program. This amendment was made by your Committee to expand the existing reporting requirements;
- (2) Deleting Section 1 of this bill and inserting Section 1 of H.D. 2 but without the Chapter 42, Hawaii Revised Statutes, exemption. This amended section also provides additional standards and qualifications to clearly define the requirements of the Natural Partnership Program;
- (3) Amending references to grants since the expenditures may be used for purchases of services;
- (4) Clarifying the responsibility and authority between the Board of Land and Natural Resources and the Department of Land and Natural Resources;
- (5) Amending Section 195-9, Hawaii Revised Statutes, by repealing subsection (c), which contained reporting requirements;
- (6) Deleting Sections 3, 5, 6, 8, and 9 because your Committee feels that no changes were required in the original text;
- (7) Deleting Section 10, which would have provided a tax credit;
- (8) Adding a new section to provide a waiver from the requirements of Chapter 42, Hawaii Revised Statutes, for fiscal year 1991-1992;
- (9) Adding a severability clause to this bill; and
- (10) Other amendments were made for purposes of style and clarity.

Your Committee finds that this bill was submitted by the Executive Branch with specific expenditures standards not in accordance with Chapter 42, Hawaii Revised Statutes (hereinafter "Chapter 42"), but which the Attorney General has advised the Legislature meets the requirements of Article VII, section 4, of the State Constitution. While your Committee agrees that the grants contained in this bill must be awarded pursuant to standards provided by law, your Committee finds that the Attorney General's position, whether or not correct, is contrary to the public policy established by the Legislature in enacting Chapter 42. It is clear that Chapter 42 is the law with which grants of public money must comply, and that this law satisfies the spirit and letter of the Constitution. The chapter was intended to apply to all grants of public money in an even-handed and uniform manner. To make an exception in this bill, therefore would be contrary to established policy, and your Committee finds no need or compelling reason to alter that policy at this time. The bill has been amended to require that program grants meet the requirements of Chapter 42.

Your Committee has provided a legal exception in the bill to the review and other requirements of Sections 42-4 to 42-6(a), Hawaii Revised Statutes (hereinafter "Sections 42-4 to 42-6(a)"), which on its face would seem to violate the policy set forth in the preceding paragraph. Your Committee notes, however, that Sections 42-4 to 42-6(a) among other things require review of grant moneys and certain findings by the appropriate agency of the executive branch prior to appropriation by the Legislature. Your Committee notes that the exception in the bill is more legal than contrary to the policy articulated in this Committee Report, in that the bill as submitted by the Executive Branch contained an appropriation which was reduced by the Legislature. The submission of the bill with an appropriation to the Legislature by the Executive Branch, on its face, indicates that the appropriated moneys in fact already have received the review and meet the other requirements of Sections 42-4 to 42-6(a). The temporary waiver of the requirements of Sections 42-4 to 42-6(a) in this bill is merely a formality which your Committee finds does not violate the intent or letter of Article VII,

Section 4, of the State Constitution, the policy set forth in this Committee Report, nor does it set a precedent for future legislatures to waive a valid requirement.

It is the intent of your Committee that all provisions of Chapter 42 will apply to the expenditure of funds appropriated for the purposes of this bill for the 1992-1993 fiscal year.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1697, 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. 1697, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Holt, Solomon and George.
Managers on the part of the Senate.

Representatives Hiraki, Hagino, Souki, Baker, Morihara and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 59 on H.B. No. 1699

The purpose of this bill is to establish a forest stewardship program under the Board of Land and Natural Resources (Board) to assist private landowners in the management, protection, and restoration of important watershed areas, timber resources, fish and wildlife habitats, areas supporting isolated populations of rare and endangered species, and other lands that are not recognized as potential natural area reserves. This bill encourages private landowners to participate in the forest stewardship program by authorizing the Board to issue grants to assist in the management of the land and by authorizing participating landowners to claim a tax credit on some of the real property taxes paid on the property.

Your Committee has amended this bill by:

- (1) Amending Section 2 of this bill by:
 - (A) Inserting part of Section 2 of H.D. 2, more specifically, § -6(c) and (d). This amended section provides additional standards and qualifications to clearly define the requirements of the forest stewardship program;
 - (B) Inserting language to encourage restoration of formerly forested lands;
 - (C) Adding a definition of "native vegetation" and inserting this term throughout the bill;
 - (D) Adding the definition of "department";
 - (E) Amending references to grants since the appropriations may be used for purchases of services;
 - (F) Defining the forest stewardship fund as a special fund;
 - (G) Inserting language to prevent landowners from clearing native vegetation in order to qualify for this program;
 - (H) Deleting § -8, which would have made Chapter 42, Hawaii Revised Statutes, apply to all grants; and
 - (I) Requiring the department to adopt rules to carry out the purposes of this bill;
- (2) Deleting Section 3, which would have provided a tax credit;
- (3) Adding a new section to the bill which allows expenditures for fiscal year 1991-1992 to be exempted from Sections 42-4 to 42-6(a), Hawaii Revised Statutes;
- (4) Amending the effective date from July 1, 1991 to July 1, 1991; and
- (5) Making amendments for purposes of style and clarity.

Your Committee finds that this bill was submitted by the executive branch with specific expenditures standards not in accordance with Chapter 42, Hawaii Revised Statutes (hereinafter "Chapter 42"), but which the Attorney General has advised the Legislature meets the requirements of Article VII, Section 4, of the State Constitution. While your Committee agrees that the grants contained in this bill must be awarded pursuant to standards provided by law, your Committee finds that the Attorney General's position, whether or not correct, is contrary to the public policy established by the Legislature in enacting Chapter 42. It is clear that Chapter 42 is the law with which grants of public money must comply, and that this law satisfies the spirit and letter of the Constitution. The Chapter was intended to apply to all grants of public money in an even-handed and uniform manner. To make an exception in this bill, therefore would be contrary to established policy, and your Committee finds no need or compelling reason to alter that policy at this time. The bill has been amended to require that program grants meet the requirements of Chapter 42.

Your Committee has provided a legal exception in the bill to the review and other requirements of Sections 42-4 to 42-6(a), Hawaii Revised Statutes (hereinafter "Sections 42-4 to 42-6(a)"), which on its face would seem to violate the policy set forth in the preceding paragraph. Your Committee notes, however, that Sections 42-4 to 42-6(a) among other things require review of grant moneys and certain findings by the appropriate agency of the executive branch prior to appropriation by the Legislature. Your Committee notes that the exception in the bill is more legal than contrary to the policy articulated in this Committee Report, in that the bill as submitted by the executive branch contained an appropriation which was reduced by the Legislature. The submission of the bill with an appropriation to the Legislature

by the executive branch, on its face, indicates that the appropriated moneys in fact already have received the review and meet the other requirements of Sections 42-4 to 42-6(a). The temporary waiver of the requirements of Sections 42-4 to 42-6(a) in this bill is merely a formality which your Committee finds does not violate the intent or letter of Article VII, Section 4, of the State Constitution, the policy set forth in this Committee Report, nor does it set a precedent for future legislatures to waive a valid requirement.

It is the intent of your Committee that all provisions of Chapter 42 will apply to the expenditure of funds appropriated for the purposes of this bill for the 1992-1993 fiscal year.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1699, 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. 1699, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Holt, Solomon and George.
Managers on the part of the Senate.

Representatives Hiraki, Souki, Baker, Chang, Morihara, Young and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 60 on H.B. No. 1748

The purpose of this bill is to establish a task force to promote public debate on the governance of public education in Hawaii and to make recommendations to alter the current system of governance. The bill appropriates \$75,000 for this purpose.

Your Committee wrestled with two critical elements in this bill: the twin purposes of the task force, and the provision of a balanced representation of the community on the task force.

The task force has two goals: the creation of a product, and the implementation of a process. The product is a set of recommendations for revision of the governance structure of public education in Hawaii, derived through public input and analysis. The process is the creation of an ongoing network of parents statewide, imbued with the spirit of active concern and responsibility for the state of education in Hawaii, who will participate from the individual school level up to lobbying at the Legislature to shape the nature of public education.

In seeking a balance of the many interests who are currently involved in the governance of public education, your Committee attempted to weight the task force on the side of the least represented groups, the parents and the community, while recognizing that these groups do not speak with one voice.

Your Committee has amended this bill by:

- (1) Inserting the purpose clause from the H.D. 2 version of the bill which spells out more clearly the twin purposes of the task force;
 - (A) Through promoting public debate on this issue to create an ongoing network of parents throughout the State to play a significant role in the treatment of public education from this point on; and
 - (B) To solicit input from the public and provide recommendations on revising the governance structure of public education;
- (2) Providing that the task force shall be composed of fifteen members, to be appointed in three groups of five by the Legislature, the Governor, and the Board of Education respectively;
- (3) Providing that all appointments to the task force must be made by July 15, 1991 to expedite the work of the task force;
- (4) Increasing the appropriation to \$100,000; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

It is your Committee's intent that the task force should begin its work by developing networks in the communities around the State to debate the issues surrounding governance. Then when the task force begins its series of public forums to solicit input from the communities, the input will reflect thoughtful consideration of the issues. Your Committee recommends that, to forestall possible criticism of the task force for failing to communicate with any specific group in the State, that the task force develop a guideline for communication with the community to be published and made widely available so that procedures for communication shall be clear and the initiative for participation will ultimately lie with each group.

Also, it is your Committee's intent that the twin goals of the task force--the process of creating ongoing networks in the communities, and the production of recommendations for change in the structure of governance--should be regarded as equal in importance.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1748, 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. 1748, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, B., McCartney and George.

Managers on the part of the Senate.

Representatives Ige, D., Tam, Say, Bunda, Honda, Ihara Jr., Kawakami, Lee, O'Kieffe and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 61 on H.B. No. 955

The purpose of this bill is to:

- (1) Allow the Director of Health to make grants or loans, or both, to any state or county agency for the construction of wastewater treatment works, provided the grants or loans, or both, are allocated to projects on the basis of existing and future growth patterns;
- (2) Require an applicant for a grant or loan, or both, to provide reasonable assurances that an impact fee structure will be instituted to insure that new developments pay their appropriate share of the costs of the treatment works;
- (3) Require the state or county agency receiving state funds to require the installation of low flow water fixtures and devices in all new construction projects, and to require these fixtures and devices to be approved by the International Association of Plumbing and Mechanical Officials and to comply with applicable American National Standards Institute standards and such other standards as may be required by the respective counties;
- (4) Require applicants to pay sixty percent of the nonfederal share of the estimated reasonable cost of the approved treatment works if federal grant funds are available, and to authorize the Director of Health to make grants or loans, or both, up to one hundred percent of the estimated cost of the project if federal grant funds are not available;
- (5) Limit the financial assistance that may be provided to governmental agencies from federal funds, rather than state and federal funds, in the water pollution control revolving fund to loans, loan guarantees, and bond guarantees, and to require federal funds to be kept in a separate account or series of accounts from the account or accounts for state funds in the revolving fund;
- (6) Require the revolving fund to be established, maintained, and credited with investment income, in addition to loan repayments;
- (7) Require the Director of Health to submit an annual report to the Legislature on all grants made from the revolving fund;
- (8) Authorize the Department of Budget and Finance, with the approval of the Governor, to issue revenue bonds at such times and in such amount or amounts, not to exceed \$250,000,000 in aggregate principal, to authorize all or part of the proceeds of the bonds to be deposited in the revolving fund and to be held and invested in a separate account or accounts, and to authorize the Director of Health to pledge funds deposited or to be deposited in the revolving fund to the payment or security of the bonds or the loans; and
- (9) Authorize the State to provide assistance to any department or to any county or board, agency, or instrumentality thereof, in addition to members of the general public, by buying, refinancing, or guaranteeing loans made to or other obligations incurred by the latter, in addition to making loans or causing loans to be made available to the same.

Your Committee has amended this bill by changing the date to require installation of low flow water fixtures from July 1, 1993 to December 31, 1992. Your Committee feels this amendment would allow sufficient time for all parties to prepare for this requirement but not delay, more than necessary, the conservation of our fresh water resources.

Your Committee is deeply concerned with the precarious position of the State in regard to sufficient and readily available water supplies.

Your Committee recognizes that plans are being implemented for hundreds of new housing units and would like to request that the planning and building departments of each county urge developers and individual homebuilders to utilize low flow plumbing fixtures and devices before granting building permits.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 955, 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. 955, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, Kobayashi, A., Levin and George.
Managers on the part of the Senate.

Representatives Hiraki, Shon, Hagino, Souki, Santiago and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 62 on H.B. No. 954

This bill creates a new chapter to be added to the Hawaii Revised Statutes regarding integrated solid waste management. The purposes of the bill are to:

- (1) Establish comprehensive integrated solid waste management plans to be developed by the counties and the State; and
- (2) Appropriate funds to conduct a statewide household hazardous waste collection project.

Your Committee has amended this bill by amending § -2 in Section 2 of the bill by placing landfilling and incineration on the same priority level. Your Committee has made this amendment to emphasize that the counties should strongly consider source reduction and recycling and bioconversion before considering landfilling or incineration.

Your Committee has further amended this bill by changing the appropriation amount from \$375,000 to \$175,000.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 954, 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. 954, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Chang, Kobayashi, A., Levin and George.
Managers on the part of the Senate.

Representatives Hiraki, Ihara Jr., Shon, Souki, Morihara, Santiago, Say and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 63 on H.B. No. 1955

The purpose of this bill, as received by your Committee, is to appropriate funds for an analysis of the existing water resources monitoring network to adequately implement the State Water Code. Your Committee finds that this analysis is badly needed and therefore supports the full funding of \$100,000 for this bill.

Your Committee amended this bill by restoring the appropriated amount as contained in the original House Bill No. 1955.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1955, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1955, S.D. 2, C.D. 1.

Senators Yamasaki, Holt, Solomon and George.
Managers on the part of the Senate.

Representatives Hagino, Say, Morihara, Santiago, Yonamine, Young and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 64 on H.B. No. 895

The purpose of this bill is to grant individuals affected by the Hawaiian Home Lands Trust, and the Native Hawaiian Public Trust, the right to settle their individually affected controversies (as opposed to controversies that affect the beneficiaries as a whole) by suing directly in Circuit Court. These suits must involve claims and controversies that arose during the period between August 21, 1959 and June 30, 1988, and may be consolidated or maintained as class actions, pursuant to court rules.

In 1988, after much debate, the Legislature enacted Act 395 establishing a Native Hawaiian Trusts Judicial Relief Act which granted the right to sue for breaches of trust occurring after July 1, 1988. Recognizing the existence of past controversies, Act 395 required the Governor to present a proposal to the Legislature in 1991 to resolve controversies relating to the Hawaiian Home Lands Trust which occurred between statehood and 1988.

Resolving individual claims is one of a number of actions proposed in the Governor's Action Plan to Address Controversies Under the Hawaiian Home Lands Trust and the Public Land Trust. All other recommendations in the action plan address trust controversies.

Your Committee has amended the bill by replacing its entire contents with a process under which individual beneficiaries under the Hawaiian Home Lands Trust may resolve claims for actual damages rising out of or resulting from a breach of trust, which occurred between August 21, 1959 and June 30, 1988, and was caused by an act or omission of an employee of the State in the management and disposition of trust resources. This process has the following steps:

- (1) First, the establishment of a Hawaiian Home Lands Trust Individual Claims Review Panel (Panel) to receive, review, and evaluate the merits of an individual beneficiary's claim, and to submit a summary of the findings and an advisory opinion regarding the merits of each claim filed with the Panel, including an estimate of the probable award of actual damages or recommended corrective action to the 1993 and 1994 Legislatures.

In order to enable the Panel to reach an advisory opinion regarding the merits of each claim filed with the Panel, hearings officers may be authorized to undertake a rendering of the findings on which the advisory opinions will be based. The potential volume of claims may require the use of this procedure to ensure that all claims are considered within the time allowed.

- (2) Second, legislative consideration of the reports submitted by the Panel;

- (3) Third, disbursement by the Panel of any compensation awarded or implementation or corrective action provided by law; or
- (4) Fourth, if an action taken by the 1993 or 1994 Legislature is not accepted by an individual beneficiary claimant, then the claimant shall have the right to bring an action to recover actual damages for a breach of trust in the circuit courts of the State of Hawaii.

In order to bring action in the circuit courts of the State for recovery of actual damages, the individual claimant must file a written notice with the Panel that the claimant does not accept the action taken by the 1993 or 1994 Legislatures in regular session upon the claim. The notice must be filed by October 1, 1994.

In order to make this process possible, the state waives its immunity from liability for actual damages suffered by an individual beneficiary arising out of or resulting from a breach of trust or fiduciary duty, which occurred between August 21, 1959 and June 30, 1988, and was caused by an act or omission of an employee of the state in the management and disposition of trust resources.

Your Committee on Conference believes that this legislation will provide a fair means of addressing claims of individual beneficiaries of the Hawaiian Home Lands Trust.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 895, 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. 895, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Blair, Crozier, Kobayashi, A., Solomon and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Hagino, Say, Ige, D., Kanoho, Santiago, Young and Anderson.
Managers on the part of the House.

Conf. Com. Rep. No. 65 on H.B. No. 889

The purpose of this bill is to provide permanent funding for the development of family literacy programs statewide by establishing the Public-Private Partners for Literacy Trust Fund.

Your Committee has amended this bill by:

- (1) Replacing the blank appropriation with an appropriation amount of \$400,000;
- (2) Completing the description of the instrument of gift referenced in the bill by designating that it is the instrument of gift dated May 2, 1991; and
- (3) Deleting language pertaining to state matching funds not exceeding \$1,000,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 889, 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. 889, H.D. 1, S.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, A., McMurdo and Koki.
Managers on the part of the Senate.

Senator McMurdo did not sign the report.

Representatives Tom, Souki, Arakaki, Baker, Chun, Duldulao, Kawakami and Tatibouet
Managers on the part of the House.

Conf. Com. Rep. No. 66 on H.B. No. 1038

The purpose of this bill is to provide fund authorizations and appropriations for Collective Bargaining Unit 3 cost items negotiated between the State and the exclusive bargaining unit representative for fiscal biennium 1991-1993.

Your Committee has amended this bill by:

- (1) Inserting in Sections 1 and 3, the actual amounts to be appropriated or authorized to fund the cost items and salary adjustments for Unit 3; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1038, 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. 1038, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Souki, Takamine, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representative Alcon did not sign the report.

Conf. Com. Rep. No. 67 on H.B. No. 1039

The purpose of this bill is to provide fund authorizations and appropriations for Collective Bargaining Unit 4 cost items negotiated between the State and the exclusive bargaining unit representative for fiscal biennium 1991-1993.

Your Committee has amended this bill by:

- (1) Inserting in Sections 1 and 3, the actual amounts to be appropriated or authorized to fund the cost items and salary adjustments for Unit 4; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1039, 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. 1039, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Souki, Takamine, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representative Alcon did not sign the report.

Conf. Com. Rep. No. 68 on H.B. No. 1040

The purpose of this bill is to provide wage and other adjustments for fiscal biennium 1991-1993 for officers and employees excluded from collective bargaining.

Your Committee has amended this bill by:

- (1) Inserting in Sections 1, 3, and 5, the actual amounts to be appropriated or authorized to fund the cost items and salary adjustments for excluded officers and employees;
- (2) Adding a new Part IV, authorizing the administrator of the Office of Hawaiian Affairs (OHA) to make the salary and cost adjustments for excluded officers and employees of OHA, and appropriating and authorizing the actual amounts to fund the cost items and salary adjustments; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1040, 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. 1040, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Souki, Takamine, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representative Alcon did not sign the report.

Conf. Com. Rep. No. 69 on H.B. No. 362

The purpose of this bill is to repeal Hawaii's interspousal tort immunity law.

Your Committee finds that although a majority of the states have abolished interspousal tort immunity, the evolving nature of equal rights and the dynamics of the man and woman relationship requires further investigation of the need to abolish interspousal tort immunity. The removal of the interspousal tort immunity rule may have unintended adverse consequences in matters such as insurance collusion, estate and trust, interspousal evidentiary privileges, and negligence actions.

To effectively determine the full effects of abolishing interspousal tort immunity, your Committee has made the following amendments:

- (1) Deleted the abolishment of the interspousal tort immunity; and
- (2) Inserted an appropriation in the sum of \$50,000 for a study on the effects of repealing the interspousal tort immunity law in Hawaii.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 362, 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. 362, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Blair, Hagino and George.
Managers on the part of the Senate.

Representatives Metcalf, Say, Amaral, Arakaki, Bainum, M. Ige and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 70 on H.B. No. 1177

The purpose of this bill is to:

- (1) Appropriate funds to the Office of the Lieutenant Governor for the replacement of the current voting system with a new, totally electronic voting system; and
- (2) Authorize the Temporary Advisory Committee on Electronic Voting Systems to negotiate a contract with an election system vendor and to terminate negotiations at any time when it is in the best interests of the State.

Your Committee has amended this bill by:

- (1) Appropriating \$10,000,000 for fiscal year 1991-1992, for the costs related to the acquisition of a totally electronic voting system, including the hiring of staff; and
- (2) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1177, 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. 1177, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Blair, Hagino and George.
Managers on the part of the Senate.

Representatives Metcalf, Souki, Amaral, Bainum, Hirono, Kanoho, Say and Thielen.
Managers on the part of the House.

Representative Thielen did not concur.

Conf. Com. Rep. No. 71 on H.B. No. 608

Your Committee on Conference has amended this bill by inserting the amounts of \$1,308,464 for the fiscal year 1991-1992 and \$1,111,588 for the fiscal year 1992-1993.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 608, 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. 608, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Metcalf, Souki, Amaral, Cachola, Hagino, Yonamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 72 on H.B. No. 844

The purpose of this bill is to appropriate moneys to initiate a program to improve the Statewide rainfall and flood information system.

This measure will complement existing National Weather Service capabilities and facilitate appropriate responses to emergency weather conditions throughout the State.

More specifically, this measure will:

- (1) Provide high priority rainfall information to each county's emergency operations center; and
- (2) Establish the initial program access to telemetered rainfall information in one or two flood prone valleys in each county.

Your Committee has amended this bill by appropriating \$100,000 for the initiation of the program.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 844, 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. 844, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Metcalf, Souki, Amaral, Cachola, Hagino, Yonamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 73 on H.B. No. 865

The purpose of this bill is to appropriate funds to provide low-interest land, home construction, and mortgage loans of up to \$35,000 to residents who have been dispossessed of their homes as a result of volcanic eruptions which began on January 3, 1983 on the island of Hawaii.

The areas inundated by the Kilauea lava flow are covered under existing gubernatorial and presidential disaster declarations. Establishment of a disaster loan program, such as the one proposed in this bill, may jeopardize the state's ability to secure a presidential disaster declaration and the ability to receive federal disaster assistance. Therefore, your Committee on Conference amended the purpose section of this measure to make it clear that assistance will be limited to those residents who have been displaced or dispossessed by lava flow and to change the scope of the loan program to a one-time public relief program of a last resort.

Your Committee has further amended this bill by providing for an appropriation in the sum of \$1,750,000 for the purposes of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 865, 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. 865, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Crozier, Kobayashi, B., and George.
Managers on the part of the Senate.

Representatives Metcalf, Souki, Amaral, Bainum, Kanoho, Say, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 74 on H.B. No. 24

The purpose of this bill is to:

- (1) Increase the percentage of indirect overhead research funds received by the University of Hawaii (UH) which are retained by UH; and
- (2) Provide the Board of Regents authority to transfer funds to provide funding for the intellectual property and technology licensing program of the Office of Technology Transfer and Economic Development (OTTED) and for a new faculty housing assistance loan program.

Your Committee has amended this bill by:

- (1) Clarifying that fifty percent of the indirect overhead research funds received by UH shall be deposited in the Research and Training Revolving Fund;
- (2) Specifying that an additional four percent of the indirect overhead research funds generated by the University shall be deposited to the Discoveries and Inventions Revolving Fund of OTTED;
- (3) Creating a housing assistance revolving fund into which an additional twelve percent of the indirect overhead research funds generated by the University shall be deposited; and
- (4) Providing that these deposits of funds to the Discoveries and Inventions Revolving Fund and the housing assistance revolving fund shall terminate at the end of the 1995-1996 fiscal year.

The total amount of the indirect overhead research funds generated by UH and retained by the University will increase from the current level of fifty percent to sixty-six percent, apportioned in the following manner:

- (1) Fifty percent shall be deposited in the Research and Training Revolving Fund;
- (2) Twelve percent shall be deposited in the Housing Assistance Revolving Fund; and
- (3) Four percent shall be deposited in the Discoveries and Inventions Revolving Fund.

Your Committee has further amended this measure by restoring the provisions of H.B. No. 24, H.D. 1, enabling qualified members of the Hawaii National Guard and other military reserves stationed in Hawaii to receive a waiver of

tuition fees for graduate studies pursued at the campuses of the University of Hawaii system. Technical, nonsubstantive amendments have also been made to conform to statutory drafting requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 24, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Final Reading in the form attached hereto as H.B. No. 24, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Kobayashi, B., McCartney and George.
Managers on the part of the Senate.

Representatives Ige, D., Metcalf, Souki, Fukunaga, Ige, M., Ihara Jr., Okamura and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 75 on H.B. No. 139

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the Executive branch during the fiscal biennium 1991-1993.

FINANCIAL AND BUDGETARY OVERVIEW

Fiscal deliberations began in the midst of a national recession and growing tension in the Persian Gulf. Economic uncertainties prompted the Council on Revenues to reduce its previous revenue projection based on the impact of the recession. This reduction resulted in \$150 million less in previously projected revenues for the biennium.

In deliberations on the budget, your Committee focused on meeting the most urgent needs of our State and maintaining funding for economic and social safeguards. Every attempt has been made to thoroughly review each funding request and to incorporate the recommendations of the House of Representatives and the Senate.

As the policy-making body of our State, the Legislature is responsible for ensuring that public moneys are expended in accord and with legislative intent. It is also the Legislature's duty to require fiscal accountability and thorough budgetary planning. While some flexibility in executing legislative directives have been granted, your Committee cautions that these discretionary powers should be used judiciously and with restraint.

In addition, your Committee has tied reporting requirements to many of the Administration's discretionary powers in an effort to monitor the Administration's use of funds and the resulting impact on the execution of the state budget.

Your Committee has developed a budget that provides a comprehensive and responsible allocation of valuable State resources. Highlighted below are some of the major program and budgetary appropriations contained in this bill.

ECONOMIC DEVELOPMENT

Your Committee continues to support efforts to develop a strong and balanced economy. To reduce the State's reliance on traditional industries, your Committee has provided support for various economic development programs to diversify and expand Hawaii's economic base.

High Technology. The promotion of economic diversification through the development of high technology has been supported through funding to continue the Hawaii Small Business Innovation and Research Grant Program. Funding will allow the Program to continue awarding state grants to eligible companies (including neighbor island firms) for research and prototype development projects.

Space Industry. In honor of the late Senator Spark Matsunaga, who was the force behind designating 1992 as International Space Year, your Committee has provided funds to promote and highlight International Space Year 1992 activities. The activities planned underscore Hawaii's strong support and unique role in the area of space, while encouraging public participation and awareness about the history and future of space. Additionally, funding is being provided for Future Flight Hawaii, a pilot space camp on the Big Island for elementary and secondary school students. The camp will emphasize the importance of space education and cover disciplines relating to space exploration, math, and engineering.

Plant Pest and Disease Control. The introduction of certain insects and plant diseases from the mainland United States or foreign countries could cripple our vital agricultural industries. To safeguard this industry, your Committee has provided funding to strengthen the Plant Pest and Disease Control Program by augmenting the inspection staff at the Honolulu International Airport.

Commodities Promotion. Continued support has been provided for Hawaii's agricultural products through the funding of marketing-related activities for various agricultural products including pineapple, coffee, papaya, and locally produced milk.

EMPLOYMENT

Aware of the repercussions of a labor shortage and its adverse impact on the economy, your Committee has emphasized the need for work force expansion by increasing the "employability" of nontraditional and marginally employable sources of labor. Strengthening the labor exchange process will assist job seekers in obtaining valuable skills and provide the business community with additional employees to meet current labor needs.

Placement Services. Your Committee has appropriated funds to improve and expand employment services relating to job placement, employability development, and employer relations. Through the \$1.5 million expansion of the Job Help Store Program, immigrant and potential job seekers will be provided with comprehensive employment and training services.

Office of Community Services. To ensure equitable employment opportunities for all residents of the State, your Committee has provided funding for the continuation of the Office of Community Services. This funding will provide necessary training and various support services to assist immigrants and the economically disadvantaged gain employment.

Wage Standards & Fair Employment Practices. Recognizing the importance and need to assure workers of their lawful rights and benefits related to their wages and to safeguard against unlawful employment practices, your Committee has provided funds and enforcement staff for the Wage Standards and Fair Employment Practices Program.

TRANSPORTATION

The rapid economic growth Hawaii has experienced over the past several years has affected the State's transportation systems. Our airports are experiencing difficulty in accommodating travelers in a timely manner. Our harbors must meet ever increasing volumes of cargo, and our highways are burdened with worsening traffic congestion.

Airports. Your Committee has provided funds for various airport improvements, including funds for continued renovations, increased emergency services, and additional security coverage. In addition, funds have been provided for repair, maintenance, and improvements for terminals at various airports throughout the State.

Harbors. Increasing cargo volume has placed a high demand on the State's harbors. To meet this demand, your Committee has provided additional personnel and capital improvement funds for container yard improvements for those harbors that have been most severely affected by workload increases.

Highways. Traffic congestion continues to be a statewide concern. Your Committee recognizes the financial burden of maintaining the highways of the State. To ease this burden, Airport Duty Free funds have been authorized for use by the highway program for construction of state highways within ten miles of state airports.

ENVIRONMENTAL PROTECTION

Our environment is a very delicate and important part of our lives. To ensure a safe and clean environment, your Committee has provided funds for the monitoring of and compliance with the Federal Clean Air and Clean Water Acts.

Solid Waste Management. Your Committee has provided funds for increased inspections and monitoring of landfills to meet new federal guidelines. The Solid Waste Management Program will also initiate and coordinate waste minimization programs within the counties. Funds are also provided for planning, implementation, and public awareness of recycling and waste reduction programs.

Wastewater Systems. Your Committee has appropriated funds for the implementation of the wastewater systems administration rules. Statewide inspections of private systems will be increased to ensure that disposal of wastewater does not contaminate our water resources.

Demonstration Desalting Plant. Your Committee is providing funds to operate a five-year demonstration desalting plant. Data collected from this project will help determine the most feasible method of converting brackish water into drinking water as the State continues to investigate alternative methods for producing fresh water.

Hunter Education Program. Recognizing the importance of the Hunter Education Program, your Committee is providing additional positions and funds to expand this program. This will give other resident groups the opportunity to experience the program's exceptional quality of instruction in conservation and outdoor safety education.

Natural Area Reserve System. The State's efforts to continue protecting and managing our threatened and endangered plant and animal species is being supported by your Committee. Positions and funding over the biennium will allow the Natural Area Reserve System Program to establish a working crew for each island. Response from the public in volunteering for reserve management activities has also been great, indicating strong support for this program. With over 75 percent of all native plants located on these reserves, we can continue to be assured that these areas will be protected for future generations to experience and enjoy.

HEALTH

Your Committee realizes the significance health care plays in the lives of the people of Hawaii. To this end, your Committee has devoted considerable resources for the betterment of statewide health services and facilities. Extra emphasis has been placed on such critical areas as the community hospital system, the mental health system, family health services, emergency medical services, and health services for native Hawaiians.

Community Hospitals. Your Committee recognizes the special circumstances that characterize the hospital industry: a nationwide nursing shortage; an annual inflation rate approximately twice as high as the Standard Consumer Inflation Index; and the widening gap between hospital operating expenses and reimbursements received. Your Committee has addressed these concerns by significantly revamping the community hospital system. Increased special funds appropriation ceilings, rate increases, and additional positions have been provided to allow the community hospitals

greater flexibility and autonomy in their day-to-day operations. This will enable the community hospitals to better manage their current fiscal positions without disregarding legislatively appropriated special fund expenditure ceilings that have contributed, in part, to the past and present trend of deficit spending. Through improved billing procedures and collections of delinquent accounts, your Committee is hopeful that the community hospitals will be able to operate at a nearly self-sufficient basis in the near future.

Behavioral Health Services. Your Committee is dedicated to the improvement of the State Mental Health System. The new facility at Hawaii State Hospital is scheduled to open this summer. Funds and position counts have been provided to reorganize Hawaii State Hospital and to address seriously deficient current conditions by strengthening clinical, psychosocial, and quality assurance services. Additional funding has been provided to enhance: adult services at the community mental health centers; child and adolescent mental health services; and education, prevention, and rehabilitation services for substance abusers.

Family Health Services. The provision of adequate prevention and early intervention services regarding reproductive and perinatal health care continues to be an important priority for your Committee. Funds have been provided to enhance the statewide availability of quality family health services and to support the continuance of successful projects such as BabySAFE and Healthy Start.

Emergency Medical Services. Your Committee realizes the importance of immediate access to medical services during an emergency. Funding has been provided to upgrade and improve the Emergency Medical Services Management Information System. Additional funds have been provided to ensure improved ambulance service on Oahu, Maui, and Hawaii. The State's participation in the National Major Trauma Outcome Study will provide valuable information to the Hawaii Trauma System and eventually improve the emergency medical services currently being provided.

Hawaiian Health Services. Your Committee has provided the means for a reallocation of resources to institute a centralized system of health services dedicated to serving the Hawaiian community. The Office of Hawaiian Health will administratively control these resources and provide effective leadership in addressing Hawaiian health needs and concerns.

HUMAN SERVICES

In the past, your Committee has supported a person's right to live with human dignity. That commitment continues today. Programs to ensure basic financial, medical, housing, social, and rehabilitative needs have been funded. In addition, your Committee has supported programs that encourage self-sufficiency through training, counseling, and assistance programs.

Early Childhood Care. Hawaii has one of the highest percentages of families with two working parents in the nation. In addition, child care in Hawaii is costly. These factors present barriers to child care for children of families with limited incomes. To this end, your Committee has funded the expansion of the Open Doors Project which makes affordable childhood education and child care available.

Assistance for the Homeless. Homelessness is a problem that must be addressed. In response, your Committee has provided assistance by funding a homeless shelter stipend program, homeless emergency assistance program, and outreach services for homeless families not living in shelters.

Job Opportunities and Basic Skills (JOBS). As part of the federal Family Support Act of 1988, the JOBS program is a mandatory work program for certain applicants and recipients of Aid to Families with Dependent Children (AFDC). The program is designed to encourage and assist AFDC recipients to become financially self-sufficient and thus independent of the welfare system.

Elder Care. By the year 2005, individuals sixty years of age and older will comprise nearly eighteen percent of the State's total population. Accordingly, your Committee has provided funding for a multilingual access program, replenishment of the long-term care service development fund, funds to develop and implement a long-term care financing strategy, and a case management model demonstration project.

Hawaiian Home Lands. Your Committee continues to support the Hawaiian Home Lands Program in its efforts to provide native Hawaiians with land for residential or agricultural purposes. There is great concern, however, that much of the available lands remain unused for lack of necessary infrastructural improvements. To this end, your Committee has funded projects to continue and accelerate the development of Hawaiian Home lands.

LOWER EDUCATION

Our young people today must be prepared to meet the great challenges of tomorrow. Much of that preparation will take place in our public schools. To this end, your Committee has focused on programs that will enhance the quality of education for our students.

Vocational Education. The utilization of modern technology is a key factor in keeping up with the many advances, discoveries, and changing times. Funds have been provided for agriculture and electronics classes to update and enrich current programs. These programs will provide in-service training, additional curriculum materials, and modern equipment with hands-on industry standard classroom experiences for students to explore opportunities in these fields.

School/Community Based Management. The 1989 Legislature made a commitment toward a decentralized school management system by supporting School/Community Based Management (SCBM). Your Committee continues this

commitment by providing funds for the implementation of this program for those schools that have completed the proposal formulation process.

In conjunction with the initial funding needed for a new SCBM school, your Committee recognizes the need for resources to execute the ideas and proposals developed to promote flexibility and accountability at the school level and has provided funds for incentive grants. Incentive grants will be a vehicle for new, innovative programs by providing each school with the supplement needed for research, development, and implementation of innovative approaches to teaching.

Vice Principals and Registrars. In an ongoing effort to improve administrative responsiveness to students, your Committee has provided six vice principal positions and twenty half-time registrar positions to elementary and intermediate schools with large student enrollments.

School clerical staffing was also a high priority during this legislative session. Many schools that operate with only one school administrative services assistant will benefit from additional clerical staff. Thirty positions and funds are provided over the upcoming biennium to address the needs stressed in the 1990 school and district office clerical staffing study.

School Counselors. Recognizing the importance of providing support through counseling services, your Committee has provided twelve counselors for elementary schools with large student enrollments. These positions will add counseling support in the areas of personal, social, academic, and career development.

Teacher Training, Certification, and Recruitment. Your Committee has added positions and funds to continue activities addressing current teacher shortages. These resources will allow for the continuation of on-the-job training for regular teachers interested in Special Education, the certification of teacher candidates, and the out-of-state recruitment of teachers in shortage categories with an emphasis on retaining teachers in Hawaii.

Repair and Maintenance. Concerns regarding the physical condition of the public schools continue to be addressed. Most cyclical repair goals have been met; however, additional funds are still required. Your Committee has continued its support for school maintenance by providing an additional \$1 million, particularly to address deficiencies at those schools that did not pass the statewide School Inspection Program, including Farrington High School, Baldwin High School, and Kihei Elementary School.

A new and innovative idea to help reduce the response time for general repairs is being implemented as a super-handyperson pilot program. Two temporary positions and funds have been provided to address the needs of Baldwin High School, Kihei Elementary School, and the Farrington High School complex.

Public School Funding. Your Committee is concerned that while a significant portion of the State's resources and increasingly larger amounts are appropriated each year to fund public schools, there are still claims and criticisms that not enough funds have been provided to the Department of Education. Your Committee is also concerned that while education budgets have increased, there remains uncertainties as to how much of the funds are in direct support of individual schools and whether the current funding system is appropriate in view of such developments as SCBM. Therefore, the Legislative Reference Bureau has been requested to address these issues in a study of the public school system.

Hawaiian Language Immersion Program. Given the high degree of success of the existing program, your Committee has provided resources for an additional grade level in each of the five immersion schools plus an additional school site. Successful candidates in this program have developed a high level of proficiency in understanding, speaking, and writing in the Hawaiian language; a positive self-concept; and appropriate cultural attitude. In addition, they have gained skills and knowledge in the content areas of the curriculum that meet Department of Education objectives.

Health Career Academy. Since 1988, Farrington High School has conducted a successful program called project Healthstart. In accord with this project and the science and technology learning center theme at Farrington, your Committee has provided funds of approximately \$364,000 over the biennium for a Health Career Academy. Students participating in this program will be exposed to the many opportunities available in the health care profession.

Educational Facilities. Proper classroom facilities are essential in creating an environment conducive to learning. Your Committee has authorized the use of \$180 million through the Educational Facilities Special Fund to meet the growing needs of our schools.

HIGHER EDUCATION

Your Committee has reaffirmed its commitment to providing quality post-secondary educational programs through the University and Community College systems.

Academic Advising. To improve the overall quality of higher education, your Committee has provided funding to expand student advising and counseling services at the Manoa campus, the Hilo campus, and the Community Colleges of the University of Hawaii.

Strengthen Affirmative Action. To ensure equitable treatment of women, minorities, handicapped students, faculty, and staff, your Committee has provided funds for the development and implementation of policies and procedures on affirmative action and sexual harassment.

Support. Your Committee has continued to provide needed infrastructure support, including maintenance of classrooms and labs, provision of utilities, and modernization and expansion of administrative computer applications. In addition, administrative support and maintenance positions have been established. Included in this area is the separation of Hawaii Community College from the University of Hawaii at Hilo.

Address Critical State Needs. Your Committee has provided funds to assist in resolving issues with significant State impact. Among them are the expansion of teacher education, child care training, and nursing programs to meet shortages in these professions.

Strengthen Basic Curricula. To assure that basic instructional programs are responsive to current and future requirements, your Committee has provided funds for accreditation needs in engineering and for undergraduate curriculum planning.

Research and Training. To enhance research capabilities for new basic knowledge and improve the quality of faculty and instructional programs, your Committee has provided funds for the expansion of the Pacific Biomedical Research Center, the Institute for Astronomy, the Cancer Center of Hawaii, and the School of Ocean and Earth Sciences and Technology.

Infrastructure. In the area of special repairs and maintenance your Committee has provided approximately \$13 million in each fiscal year of the biennium for nonrecurring repair and maintenance projects.

Your Committee has also provided for capital improvement projects including the completion and renovation of teaching and research facilities at UH-Manoa, the design for Hamilton Library Phase III, campus lighting improvements, infrastructure for the University Park, and the completion of student housing Phase I at UH-Hilo, the continued development of Kapiolani Community College, and funds for infrastructure, renovation, and development of facilities at Windward and Maui Community Colleges.

CULTURE AND RECREATION

Your Committee continues to support efforts to provide the general public with accessibility to the arts and opportunities for varied recreational activities through the Culture and Recreation Program. Furthermore, your Committee is committed to ensuring the preservation of our historic sites and communities.

In providing cultural accessibility, your Committee has allocated funds to numerous performing and visual arts agencies. In addition, your Committee has provided funds to support the Hawaii Public Broadcasting Authority. As a result, programs including Hawaii's Interactive Television System and Saturday A.M. for children will continue.

In the area of recreation, your Committee has appropriated funds to continue the Hawaii Statewide Trail and Access System through the Na Ala Hele Program, as mandated during the last fiscal year. By providing a working crew for each island, ground work implementation and demonstration trails can be established for the recreational enjoyment of Hawaii's visitors and residents alike.

Your Committee supports the revitalization of Hawaii's local communities and has appropriated positions and funds to administer the Main Street Hawaii Program. This will establish a cohesive policy approach in preserving our historic towns. Your Committee also continues to support the State's comprehensive Historic Preservation Program to honor our native Hawaiian past and culture. To this end, funds have been provided for osteological analysis and reinterment work, allowing previously excavated remains to be reburied at appropriate burial sites.

In support of our state parks, funds will be utilized to upgrade facilities for the safety of park-goers. Your Committee has also provided funds for the improvement and expansion of recreational mooring and launching facilities.

PUBLIC SAFETY

Recruitment and Retention. It is your Committee's understanding that the correctional system's recruitment and retention problems stem, in part, from the temporary status of numerous positions. Therefore, your Committee has enabled the Department to convert these temporary positions to permanent status. As a result, the personnel turnover and its accompanying excessive cost of overtime payments should be reduced.

Additional Adult Correctional Officers Positions. Your Committee has provided funds for new positions to ensure proper security coverage and to provide basic supervision at the correctional facilities. Additionally, funds have been provided for comprehensive training of correctional and enforcement personnel to ensure preparedness and to improve technical skills to meet the day-to-day challenges inherent in the program.

Repair and Maintenance. Your Committee has provided funds for repair and maintenance projects for all correctional facilities and centers to alleviate costly CIP needs in the future.

Inmate Education Programs. One of the primary goals of the correctional facilities is to provide inmates with educational and vocational training. These programs are established to help prepare inmates for their reentry into the community.

Sex Offender Program. Your Committee has provided funds for the Sex Offender Assessment and Treatment Program. Funds provided will be used to assess, track and treat sex offenders throughout their period of incarceration.

Substance Abuse Program. Your Committee has provided funds for the administration and staffing of the Substance Abuse Program. By developing a core administrative structure, the program will effectively implement and evaluate psycho-educational and therapeutic programs to treat substance abusers within the correctional facilities.

Medical Personnel. Funds for new positions and the conversion of temporary medical personnel has been provided to ensure that minimum health care needs are met. These positions will also alleviate expenses incurred from the use of other medical agencies.

INDIVIDUAL RIGHTS

Pesticide Analysis Program. Your Committee recognizes the importance of pesticide analysis and regulation work and has therefore provided positions and funds to establish a Pesticide Analysis Program within the Department of Agriculture. This on-site program will allow the Department to screen and analyze a larger number of pesticides and commodity feed, and to respond to problems in a timely manner.

GOVERNMENT WIDE SUPPORT

State Information Services Offices. The Satellite State Information Office Pilot Project began with the opening of the Kaneohe Satellite Office. Funds for the establishment of a Leeward Oahu office and three neighbor island offices have been provided to offer accessibility to state government services.

Office of International Relations. Your Committee recognizes the State's opportunity to benefit economically, socially, and academically by enhancing its position in the international arena.

Research on Agricultural Commodities. Protecting our agricultural commodities from numerous pests and diseases is vital to the economic prosperity of the State. Funding is being provided by your Committee for research and management activities for over 25 different commodities through the Governor's Agriculture Coordinating Committee.

Building Maintenance and Repair. Your Committee recognizes the deteriorating condition of many state facilities and supports the continuance of a systematic maintenance and repair program.

Youth Gang, Drug, and Domestic Violence Programs. Prompt and aggressive prosecution is needed to curtail the rising number of cases associated with youth gang, drug, and domestic violence. Funds have been provided for additional personnel in the county prosecutors' offices to handle the growing number of cases related to domestic violence and to implement programs aimed at diminishing youth gang and drug activities.

SUMMARY AND RECOMMENDATIONS

In summary, your Committee has thoroughly reviewed the numerous and varied funding requests and concerns of the Administration, the House of Representatives, the Senate and the people of this State. Your Committee believes it has developed a budget that meets the needs of the State and addresses the aforementioned concerns.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 139, 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. 139, H.D. 1, S.D. 1, C.D. 1.

Senators Yamasaki, Aki, Hagino, Iwase, Kobayashi, A., Kobayashi, B., Levin, Solomon and George.
Managers on the part of the Senate.

Representatives Souki, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representative Alcon did not sign the report.

Conf. Com. Rep. No. 76 on H.B. No. 598

The purpose of this bill is to appropriate funds for the Judiciary of the State of Hawaii for the 1991-93 fiscal biennium.

In developing this biennium budget, your Committee has focused on meeting today's needs while being receptive to new programs.

Cognizant that well-trained and informed judges are crucial to ensure the fair, prompt, and efficient administration of justice in the State, your Committee has provided funding for the establishment of a Judicial Education Office. The Judicial Education Office will institute a comprehensive and structured program for judicial orientation, continuing education, and training in the state court system.

Your Committee has also provided funding, in the sum of \$75,000 in each fiscal year of the biennium, for an automated remittance processing service for the Traffic Violations Bureau to increase the efficient processing of mail-in motor vehicle tickets and fines.

As recommended by the Legislative Auditor's Report No. 89-5, Management and Financial Audit of the Judiciary of the State of Hawaii, your Committee has provided additional positions and funds to strengthen the reorganized Telecommunications and Information Services Division.

Your Committee has provided funding for the new Hilo Judiciary Complex. Discussions have taken place regarding the location of the proposed courthouse. Given the concerns raised by local residents, your Committee directs the Judiciary to continue open dialogue with the community.

In summary, your Committee has thoroughly reviewed the numerous and varied biennium funding requests and concerns of the Judiciary, the House of Representatives, the Senate and the citizens of the State, and believes that it has molded a biennium budget which is fiscally responsible, but also meets the needs of the State.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 598, 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. 598, H.D. 2, S.D. 1, C.D. 1.

Senators Yamasaki, Aki, Hagino, Iwase, Kobayashi, A., Kobayashi, B., Levin, Solomon and George.
Managers on the part of the Senate.

Representatives Metcalf, Souki, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representative Alcon did not sign the report.

Conf. Com. Rep. No. 77 on H.B. No. 701

The purpose of this bill is to appropriate funds for the 1991-93 biennium budget of the Office of Hawaiian Affairs (OHA).

Your Committee began deliberations on the OHA budget in an atmosphere of economic uncertainty. The January 10, 1991, forecast by the Council on Revenues projected a decrease in state revenues, primarily as a result of the recession on the mainland and its dampening effects on tourism.

In its review, your Committee remained cognizant of the directive of the 1990 Legislature to eliminate duplication of services between other agencies. Your Committee, therefore, has provided funds to allow OHA to work in conjunction with other organizations to efficiently and effectively provide services.

The health and social conditions of Hawaiians is of the utmost importance to your Committee. As a result, funds have been provided for OHA to work with other agencies to collect and print data on Hawaiian health and implement a strategy on the dissemination of this information.

As the indigenous people of an island state, Hawaiians have been addressing the issue of sovereignty for a long time. Recognizing the importance of Hawaiians to be afforded opportunities to enhance their well-being, your Committee has provided funds for the development of several sovereignty models and for implementation of a marketing plan for these models on a national and international level.

Your Committee has provided funding in the area of economic development to provide for a wide variety of assistance and support to an emerging group of community-based economic development organizations across the State. Funding has also been provided for a management and technical assistance program to provide, through a contract with Alu Like, business counseling to individual Hawaiian entrepreneurs.

In the area of education, your Committee has provided funding for twenty-five annual scholarships, for each fiscal year, for college students, undergraduate and graduate, new and continuing. Funding has also been provided for a Hawaiian recruitment program to assist, promote, and develop a leadership training program for Hawaiian youth at the high school level.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 701, 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. 701, H.D. 2, S.D. 2, C.D. 1.

Senators Yamasaki, Aki, Iwase, Kobayashi, A., Kobayashi, B., Levin, Solomon and George.
Managers on the part of the Senate.

Representatives Hagino, Souki, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representative Alcon did not sign the report.

Conf. Com. Rep. No. 78 on H.B. No. 1021

The purpose of this bill is to increase revenues for the state highway fund by:

- (1) Increasing the state motor fuel tax from \$.11 to \$.16 for each gallon, and the state diesel oil tax from \$.10 to \$.15 for each gallon;
- (2) Increasing the amount of the motor vehicle registration fee to \$20;
- (3) Increasing the vehicle weight tax; and

(4) Including mopeds among vehicles subject to the motor vehicle registration fee.

Your Committee finds that the state highway fund provides the revenues to carry out the operations, maintenance, and capital improvement programs for our state highways. Revenues for the fund are generated through motor fuel taxes, motor vehicle registration fees, motor vehicle weight taxes, and other miscellaneous fees.

Your Committee also finds that the last time the Legislature made a comprehensive change to methods of raising revenue for our land transportation system was in 1985. At that time, the Legislature reviewed and adopted a variety of revenue generating sources to maintain a level of funding necessary for our road and highway needs for a six-year planning period. That six-year period has passed and the next six-year period must now be addressed.

Your Committee further finds that in the past few years, revenue growth has slowed, while expenditures have continued to increase. Federally mandated fuel conservation requirements have led to lighter, more fuel efficient cars. This, as well as higher fuel prices, has decreased the growth in fuel consumption, thereby reducing the growth in revenues generated by the fuel tax. At the same time, the cost of operating and maintaining our State's highway system has increased. According to the 1990 Highway Revenue Task Force, the financial integrity of the state highway fund is in jeopardy. The Department of Transportation has also warned that, absent an increase in revenues, the state highway fund will be placed in a deficit situation that will prevent the proper maintenance and development of the state highway system.

Your Committee also finds that the public's call for additional land transportation facilities and better maintained roadways to help alleviate traffic congestion has placed an additional financial burden on the state highway fund. It is clear that more funds for capital improvements and operating expenditures are needed to meet the public's demands.

Upon further consideration, this bill has been amended by:

- (1) Establishing a new chapter providing for the levy, assessment, and collection of:
 - (A) A rental motor vehicle surcharge tax of \$2 a day;
 - (B) A tour vehicle surcharge tax of \$65 a month for an eighteen or over passenger carrier vehicle used as a tour vehicle; and
 - (C) A tour vehicle surcharge tax of \$15 a month for an eight to seventeen passenger carrier vehicle used as a tour vehicle;
- (2) Deleting mopeds from the motor vehicle registration fee; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 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.

Senators Yamasaki, Aki, Fernandes Salling, Kobayashi, A., and George.
Managers on the part of the Senate.

Representatives Oshiro, Souki, Baker, Kanoho, Say, Yonamine and Marumoto.
Managers on the part of the House.

Representative Marumoto did not sign the report.

Conf. Com. Rep. No. 101 on S.B. No. 1082

The purpose of this bill is to enhance the ability of exclusive bargaining unit representatives to obtain information regarding their members from public employers.

Specifically, the bill requires public employers to provide the name, mailing address, social security number, and bargaining unit of bargaining unit members, with the exception of undercover agents, within a reasonable time after receipt of a written request, in a form conducive to electronic data processing if the employer has such electronic capability. The sender and receiver of information are subject to the same restrictions on disclosure.

Your Committee has amended this bill by deleting the new section proposed for Chapter 89, Hawaii Revised Statutes, and instead interpolating the substantive provisions into Section 89-16.6, which relates to the same subject matter.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1082, 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. 1082, S.D. 1, H.D. 2, C.D. 1.

Senators Mizuguchi, Blair and Koki.
Managers on the part of the Senate.

Representatives Yonamine, Say, Alcon, Baker, Horita and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 102 on S.B. No. 212

The purpose of this bill is to require the maximum towing charge allowed by law and the telephone number of the Office of Consumer Protection to be included on every posted notice that prohibits unauthorized parking of vehicles.

Your Committee finds that while many tow operators are honest and conscientious, some operators attempt to collect towing charges in excess of that allowed by law. While tourists may be the easiest victims, residents unfamiliar with the statutory limit on towing charges can also be victimized. Both tourists and residents may be unaware that the Office of Consumer Protection is the agency to which consumer complaints can be directed. This measure would ensure that both tourists and residents are made aware of this information.

Your Committee has amended this measure by clarifying that the telephone number of the Consumer Information Service of the Department of Commerce and Consumer Affairs be stated on all notices.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 212, 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. 212, S.D. 1, H.D. 1, C.D. 1.

Senators Fernandes Salling, Cobb and George.
Managers on the part of the Senate.

Senator Cobb did not sign the report.

Representatives Baker, Horita, Morihara, Yonamine and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 103 on S.B. No. 1206

The purpose of this bill is to amend Chapter 439, Hawaii Revised Statutes, to clarify administrative procedures relating to Hawaii's cosmetologists and beauticians.

Specifically, this bill:

- (1) Provides for cosmetology permits to be valid for a period of time covering the three consecutive examinations offered by the Board of Cosmetology after the permit's date of issuance;
- (2) Requires beauty shops to:
 - (A) Maintain records of appointments and services offered to clients for three years; and
 - (B) Utilize equipment and facilities as prescribed by the Board of Cosmetology; and
- (3) Requires all cosmetology or beautician apprentices to work in a licensed beauty shop under the supervision of a licensed beauty operator in order to obtain a valid apprentice permit.

Your Committee finds that this bill will alleviate confusion related to the issuance and maintenance of temporary permits, apprentice permits, and beauty shop licenses. In addition, this measure will protect the interests of consumers by providing a means for the Board of Cosmetology to monitor apprenticeship training and ensure that all beauty shops provide adequate services to the public.

Your Committee has made a technical, nonsubstantive amendment for purposes of clarity and style by moving the sentence on page 3, lines 17-18, "A temporary permit may be issued upon application for examination and payment of the required fees." to page 3, line 1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1206, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1206, H.D. 1, C.D. 1.

Senators Ikeda, Cobb, McCartney and Koki.
Managers on the part of the Senate.

Representatives Hirono, Arakaki, Morihara, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 104 on S.B. No. 2008

The purpose of this bill is to permit trust companies that are not affiliated with a bank or bank holding company to engage in the sale of insurance and securities through affiliated corporations.

The financial services industry has expanded tremendously over the last few years. Your Committee finds that this bill contains necessary safeguards to ensure that clients of a trust company are not adversely affected by the sale of insurance or securities through affiliates, and will allow independent trust companies to offer an expanded combination of products and services that will provide for a more diversified and stronger financial system in Hawaii.

Your Committee has amended this bill by adding a definition of "commissioner" in Section 406-1, Hawaii Revised Statutes, to mean the Commissioner of Financial Institutions. In addition, several technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2008, 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. 2008, S.D. 2, H.D. 1, C.D. 1.

Senators Ikeda, Iwase, McCartney and Koki.
Managers on the part of the Senate.

Representatives Hirono, Bainum, Morihara, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 105 on S.B. No. 952

The purpose of this bill is to enable the State to upgrade and renovate the Women's Community Correctional Center (WCCC) and Hawaii Youth Correctional Facility (HYCF) and relocate the WCCC to the grounds presently occupied by the HYCF, and vice versa.

To accomplish this, this bill provides that the lawful use of land or buildings for correctional purposes that qualify as nonconforming uses under Section 205-8, Hawaii Revised Statutes, may continue as lawful nonconforming uses even if buildings are replaced, reconstructed, renovated, enlarged, changed, or additional nonconforming buildings are constructed, as long as the land and buildings continue to be used for correctional purposes. The Department of Public Safety and the Office of Youth Services will submit annual reports to the Legislature on the status of the projects including breakdowns of the populations at each facility, assessments of each facility's ability to accommodate serious or violent offenders and the implementation of programs providing alternatives to incarceration, and all plans and designs, except for security details, including costs and implementation.

The bill further requires the Department and the Office to ensure that correctional facilities and services meet the present and future needs of persons committed to their jurisdictions.

Your Committee finds that the State's good faith efforts to renovate the WCCC in compliance with a 1985 consent decree have been impeded by denial of a special use permit allowing rebuilding on Mt. Olomana. This bill will enable the State to carry out this necessary correctional project and improve HYCF facilities at the same time. Your Committee considers this to be a matter of compelling public interest and for the health, safety, and welfare of the general public. To delay these projects any longer would have inimical effects for years to come.

Your Committee has amended this bill by specifically exempting the Department and the Office from the necessity of obtaining state or county approvals, permits, or licenses, including planning, land use classification, and environmental approvals relating to construction, improvement, use, reconstruction, renovation, replacement, enlargement, or relocation of buildings, facilities, or land used or to be used for correctional purposes. These exemptions shall be limited to the subject properties under this bill presently owned by the State and located in Kailua and specifically set aside for correctional purposes. Your Committee has also provided that no new construction or development shall be initiated at the Kailua sites, for correctional or any other purpose, after July 1, 1994, without prior legislative approval.

Your Committee has further amended this bill by emphasizing the intent that the State work closely with the Kailua community regarding concerns relating to renovation, expansion, and new construction, and by providing that the Department and the Office shall advise their consultants and contractors that the design and construction of all lawful nonconforming uses, to the extent practicable and as long as it does not delay construction or renovation, shall blend into the pristine natural environment surrounding the facilities and be minimally intrusive to the surrounding communities.

Other nonsubstantive technical changes have been made to the language of the bill to ensure that its intent is clear and unequivocal.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 952, 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. 952, S.D. 1, H.D. 1, C.D. 1.

Senators Mizuguchi, Blair, Kobayashi, A., and Koki.
Managers on the part of the Senate.

Representatives Tom, Arakaki, Chun, Ige, M., Kawakami and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 106 on S.B. No. 1822

The purpose of this bill is to provide insurance coverage for newborn adopted children.

Specifically, this bill:

- (1) Requires insurance coverage for a newborn child to be adopted provided that the insurer is notified in writing of the insured's intent to adopt the child:
 - (A) Prior to the child's date of birth,
 - (B) Within thirty days after the child's birth, or
 - (C) Within the time period required for enrollment of a natural born child under the insurance policy, whichever period is longer;

- (2) Requires insurance coverage for an adopted newborn to be effective from the date of written notification of the insured's ability to consent for treatment of the child. This would be in cases where the society is notified of the insured's intent to adopt the child after the specified time period for notification outlined in item (1) above, has passed;
- (3) Requires health maintenance organizations (HMOs) to provide insurance coverage effective from:
 - (A) The newborn's date of birth if the newborn is born in an HMO facility and written notice of enrollment for coverage of the newborn is provided within thirty days of the date the HMO is notified of the insured's intent to adopt the newborn;
 - (B) The first day following the HMO's receipt of written notice of the insured's ability to consent for treatment and enrollment for coverage of the newborn if the newborn is not born in an HMO facility; and
- (4) Requests the Legislative Auditor to submit a report to the Legislature prior to the convening of the 1995 session on the impact and implications of this bill; and
- (5) Provides for the repeal of this bill on June 30, 1995.

Currently, adoptive parents are at a distinct disadvantage when attempting to obtain health care for their new child because they are unable to receive such benefits until the child is legally named to their custody. Most health insurance companies require adoptive parents to produce a final adoption decree, which can take three to twelve months or more, before formally enrolling the child in the health insurance program. Under these circumstances, the adoptive family is liable for all medical expenses incurred prior to that date, which could theoretically run into the thousands of dollars, particularly if the child is ill or requires extra care.

Your Committee believes that it is appropriate for health care services that would be extended to the insured's natural children to be extended to adoptive children without difficulty or dispute.

Your Committee has amended this bill by:

- (1) Requiring the insured to reimburse the insurer or mutual benefit society for any expenses paid for the newborn if the adoption proceedings are not successful;
- (2) Requiring legal notification of the insured's ability to consent for treatment instead of written notice;
- (3) Making the health maintenance organization provisions applicable to insurance companies (under Chapter 431, HRS) also applicable to mutual benefit societies (under Chapter 432, HRS); and
- (4) Making several technical, nonsubstantive changes for purposes of style and clarity.

Regarding reimbursement for expenses if the adoption is not successful, your Committee wishes to clarify that reimbursement requirements shall not be applicable in cases where the adoption is not successful due to the death of the newborn or one or both adoptive parents.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1822, 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. 1822, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Iwase and Koki.
Managers on the part of the Senate.

Representatives Hirono, Arakaki, Cachola, Morihara and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 107 on S.B. No. 2007

The purpose of this bill is to regulate the sale, lease, distribution, and advertising of water treatment units.

Specifically, this bill prohibits the sale, lease, distribution, or installation of water treatment units unless the unit has been tested using industry or federally accepted product testing standards. The bill further requires every unit to be accompanied by written material stating manufacturer information, specifications of the unit, installation instructions, and other important consumer information. Finally, this measure requires written disclosure of the prohibitions regarding unlawful advertising and deceptive practices, including the telephone number and address of the Office of Consumer Protection, to be provided to the prospective consumer prior to execution of any contract of sale.

Your Committee has amended the bill as follows:

- (1) Deleting the provision requiring the written disclosure of prohibited practices and information about the Office of Consumer Protection;
- (2) Prohibiting door-to-door sales of water treatment units unless a copy of data, claims, and information on water quality and health effects, as used in the sales presentation, are made a part of the contract; and
- (3) Changing the effective date of the measure to December 1, 1991.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2007, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2007, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Iwase, McCartney and Koki.
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Amaral, Cachola, Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 108 on S.B. No. 1539

The purpose of this bill is to clarify and amend the procedures of the Hawaii Civil Rights Commission, particularly those related to contested case hearings and appeal procedures. More specifically, the bill:

- (1) Clarifies that the Commission has jurisdiction to process complaints filed by handicapped individuals regarding access to state and state-funded services;
- (2) Explicitly provides that depositions may be conducted as part of the investigation and hearing process and that parties may be required to attend hearings and to testify;
- (3) Authorizes the Commission to file an action in circuit court to enforce conciliation agreements and predetermination settlements and requires compliance reviews of predetermination settlements;
- (4) Provides that complainants may file complaints with the Commission's executive director without the necessity of verification;
- (5) Defines "unlawful discriminatory practice" to include like terms used in other chapters of the Hawaii Revised Statutes;
- (6) Extends the deadline by which the Commission must complete its investigation and attempt conciliation, from 60 to 180 days after the filing of the complaint, and allows the Commission to grant extensions;
- (7) Clarifies procedures for the determination of reasonable cause and the issuance of a final conciliation demand, and delegates these functions to the executive director;
- (8) Changes references from public hearings to contested case hearings, which are the method of resolving complaints under Chapter 91;
- (9) Clarifies procedures for contested cases;
- (10) Eliminates the provisions for de novo review of the Commission's decisions by the circuit court; and
- (11) Establishes a sunset provision which reinstates de novo review of the Commission's determinations on July 1, 1994.

The only item at issue involved the provisions that seek, at least temporarily, to eliminate the circuit court's de novo review of the Commission's decisions. Your Committee is concerned that it may be premature to eliminate the procedural safeguard provided by a de novo review of the Commission's decisions, which permits the courts to consider both evidence and legal conclusions without according deference to the Commission.

Your Committee finds that, the Commission is still in its infancy and has not developed a track record that justifies elimination of the de novo review standard. Therefore, your Committee made the following amendments to the bill:

- (1) Deleted Section 7, which eliminates the requirement for de novo review; and
- (2) Deleted the sunset provision in Section 10.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1539, 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. 1539, S.D. 1, H.D. 1, C.D. 1.

Senators Blair, Holt and Koki.
Managers on the part of the Senate.

Representatives Metcalf, Amaral, Hirono, Takamine and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 109 on S.B. No. 1962

The purpose of this bill is to amend certain provisions of Chapter 342J, Hawaii Revised Statutes, which deal with hazardous waste requirements. This bill would make the State's hazardous waste regulatory program substantially equivalent to the federal Resource and Recovery Act (RCRA) program administered by the United States Environmental Protection Act (EPA), as part of a plan to obtain authorization from the EPA for the State to administer its hazardous waste program in lieu of the federal RCRA program.

Your Committee, upon further consideration, has made the following amendments to S.B. 1962, S.D. 2, H.D. 2:

- (1) Deleted the section pertaining to the waiver or reduction of fees charged for copying public documents if a waiver or reduction is in the public interest, since this is already provided for under Section 2F-42(13) of the Hawaii Revised Statutes;
- (2) Amended the provisions relating to citizen suits to conform to State law, and placed them in a separate section;
- (3) Added a five-year drop dead clause for the section on citizen suits. The section on citizen suits was added to insure that our laws are enforced by providing private causes of action in addition to state enforcement. However, because of concerns that the section will encourage frivolous actions, your Committee feels that a trial period would be appropriate; and
- (4) Re-ordered the definitions, which are added and amended in Section 2, into two separate sections for purposes of clarification;
- (5) Retained the language of House Draft No. 2 pertaining to intervention. The amendment to Section 342J-16, Hawaii Revised Statutes, is purely technical and non-substantive and is not intended to have any effect on the application of this section.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1962, 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. 1962, S.D. 2, H.D. 2, C.D. 1.

Senators Blair, Chang, Hagino, Levin and Reed.
Managers on the part of the Senate.

Representatives Hiraki, Metcalf, Amaral, Santiago, Young and Thielen.
Managers on the part of the House.

Representative Santiago did not sign the report.

Conf. Com. Rep. No. 110 on S.B. No. 153

The purpose of this bill is to facilitate use of service and signal dogs.

Section 347-13, Hawaii Revised Statutes, specifically allows use of guide dogs by blind or visually handicapped persons when accessing public places and conveyances, and Section 515-3 makes it unlawful to discriminate in a real estate transaction against blind or deaf persons who use certified guide or signal dogs.

This bill adds service and signal dogs to Section 347-13 and service dogs (those certified by a nationally recognized service dog organization to assist disabled persons with essential daily activities) to Section 515-3. It also authorizes disabled persons who use guide, service, or signal dogs to reside on site during the animal's quarantine, if housing is available, and allows physically handicapped persons accompanied by service dogs to utilize public places and conveyances at no charge for the animal until July 1, 1992. Further, the bill requires the Director of Finance to adopt rules for licensing guide, service, and signal dogs and provides for appropriate designation on such licenses. This provision is effective July 1, 1992.

Your Committee finds that guide, service, and signal dogs provide essential services for their masters and should be duly recognized in the statutes.

Your Committee has amended this bill by changing the effective date of the Section relating to dog licenses to July 1, 1991, and by clarifying in Section 5 that the handicapped person will be liable for any damage caused by the person's service dog.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 153, 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. 153, S.D. 1, H.D. 2, C.D. 1.

Senators McMurdo, Crozier and Reed.
Managers on the part of the Senate.

Representatives Shon, Metcalf, Morihara, Amaral, Duldulao and Ward.
Managers on the part of the House.

Representative Duldulao did not sign the report.

Conf. Com. Rep. No. 111 on S.B. No. 154

The purpose of this bill is to provide specific requirements for minimum content and labeling of Kona coffee.

Your Committee finds that truth in labeling is a vital consumer protection tool, and in order to maintain the high quality of Kona coffee products and continued viability of the industry, quality control and product differentiation are essential.

Your Committee has amended this measure by including a purpose section, and providing for Kona coffee minimum content and labeling requirements to be included in Chapter 486, Hawaii Revised Statutes (HRS), instead of Chapter 147, HRS. Your Committee believes that it would be more appropriate to include these requirements under the laws relating to measurement standards and uniform packaging and labeling.

In addition, technical, nonsubstantive amendments were also made for purposes of clarity and style, including the rewording and rearrangement of sections.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 154, 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. 154, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Iwase and Koki.
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Amaral, Hagino, Morihara, Takamine and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 112 on S.B. No. 348

The purpose of this bill is to prohibit the Department of Commerce and Consumer Affairs from releasing or divulging any statistics regarding collision damage waivers (CDWs) of rented motor vehicles, except as allowed by rules promulgated by the Department in accordance with Chapter 91, Hawaii Revised Statutes.

This measure will protect rental motor vehicle lessors by providing for the confidentiality of CDW information submitted to the Department of Commerce and Consumer Affairs. However, your Committee emphasizes that the Department's authority to adopt rules applies to both obtaining and releasing CDW information. It does not preclude lessors from submitting required data prior to the adoption of rules by the Department. It is your Committee's intent that CDW information be submitted by lessors immediately upon enactment of this measure. Moreover, the bill does not require the Department to promulgate rules to collect such data.

Your Committee has amended this bill by clarifying Section 437D-8.5, Hawaii Revised Statutes, relating to CDW commissions, by including a definition of "commission for selling collision damage waivers." In addition, technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 348, 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. 348, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Cobb, Iwase and Koki.
Managers on the part of the Senate.

Senator Cobb did not sign the report.

Representatives Hirono, Cachola, Morihara, Oshiro and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 113 on S.B. No. 1757

The purpose of this bill is to prohibit motor fuel refiners from engaging in the business of a retail service station or motor fuel sales outlet until August 1, 1993.

In addition, this measure:

- (1) Requires the Attorney General to gather and assess information on prohibiting the direct retailing of motor fuel by refiners (commonly known as divorcement) and its impact on the price of motor fuel, and further, to analyze Hawaii data on this subject;
- (2) Requires the Department of Commerce and Consumer Affairs to gather and study data on divorcement and its impact on the consumer;
- (3) Provides exemptions from the divorcement moratorium if the refiner has executed a binding lease or has acquired real property in fee simple and has obtained substantially all of the necessary permits to commence construction of a service station or retail motor fuel outlet prior to the effective date of this Act; and
- (4) Allows a refiner to replace, in the same area, a service station or retail fuel outlet where the refiner has had to close a station or outlet due to the termination of the real property lease, and provides that the refiner can exercise this replacement option two times.

Your Committee finds that this measure will promote vigorous price competition and to provide for an adequate supply of automotive goods and services to the public. Your Committee declares it to be in the best interest of the public that legislation be enacted to prevent unfair practices and monopolistic distribution and marketing in the motor fuel industry of the State.

Your Committee has amended this bill by:

- (1) Including definitions of "direct operation" and "franchise";

- (2) Deleting the definition of "wholesale price";
- (3) Extending the moratorium to distributors of motor fuel as well as refiners;
- (4) Exempting refiners and distributors from the moratorium if the land involved has been zoned appropriately to permit service station use or retail motor fuel outlet use, and has received a shoreline management area permit, if applicable, as of the effective date of this Act; and
- (5) Allowing a refiner to replace two service stations or retail motor fuel outlets within the same county where the refiner or distributor has had to close a station or outlet due to the termination of the real property lease.

Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1757, 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. 1757, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Cobb, Iwase, McCartney and Koki.
Managers on the part of the Senate.

Senator Cobb did not sign the report.

Representatives Hirono, Metcalf, Amaral, Hagino, Hiraki, Morihara and Ward.
Managers on the part of the House.

Representative Ward did not sign the report.

Conf. Com. Rep. No. 114 on S.B. No. 1188

The purpose of this administration bill is to bring Hawaii's measurement standards into alignment with national consensus standards for uniformity in weights and measures by amending Chapter 486, Hawaii Revised Statutes.

Your Committee has made a few non-substantive, technical corrections to this bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1188, 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. 1188, S.D. 1, H.D. 1, C.D. 1.

Senators Chang, Ikeda and Reed.
Managers on the part of the Senate.

Representatives Hirono, Metcalf, Amaral, Morihara, Takamine, Yoshimura and Thielen.
Managers on the part of the House.

Representative Yoshimura did not sign the report.

Conf. Com. Rep. No. 115 on S.B. No. 1278

The purpose of this bill is to mandate the Department of Land and Natural Resources to adopt rules for the regulation of anchoring and boating in each marine life conservation district.

Your Committee has amended this measure to clarify that the Department is mandated to adopt rules for boating only to the extent of its jurisdiction. Some concern has been expressed that if H.B. No. 917 (which transfers all functions, powers, and duties involving the regulation of ocean recreational boating and coastal activities to the Department) is not enacted, inconsistencies in the law may be created. By specifically limiting adoption of rules to the extent of the Department's jurisdiction, H.B. No. 917 will have no effect on these provisions if it is not enacted. If it is, then of course the Department shall adopt rules as required.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1278, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1278, H.D. 2, C.D. 1.

Senators Chang, Solomon and Reed.
Managers on the part of the Senate.

Representatives Stegmaier, Metcalf, Apo, Morihara, Santiago and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 116 on S.B. No. 1279

The purpose of this bill is to:

- (1) Provide for the extension of leases for businesses where the lessee has made improvements to the premises which will benefit the public in order to allow commercial aquaculture businesses to continue to serve the public;

- (2) Clarify language relating to the minimum sizes of fish by replacing general terminology with more appropriate terms and remove kala, Naso lituratus, from the minimum size requirements section because it is primarily used as an aquarium fish;
- (3) Allow the Department of Land and Natural Resources to transfer to administrative rules the licensing measures relating to the selling and servicing of pond raised mullet, Kona crab, and lobsters during their respective closed seasons; and
- (4) Prohibit the taking of rocks to which marine life is attached.

Upon further consideration your Committee has amended this measure by deleting the provisions providing for the extension of leases for businesses where the lessee had made improvements to the premises which will benefit the public.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1279, 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. 1279, S.D. 1, H.D. 2, C.D. 1.

Senators Chang, Hagino and Reed.
Managers on the part of the Senate.

Representatives Stegmaier, Metcalf, Apo, Morihara, Santiago, Yoshimura, Young and Thielen.
Managers on the part of the House.

Representative Yoshimura did not sign the report.

Conf. Com. Rep. No. 117 on S.B. No. 1382

The purpose of this bill is to establish a program to provide a timely and appropriate response to homelessness and to govern the services and benefits made available through facilities for homeless families.

Your Committee finds that the issue of donor liability is a matter of vital concern to the success of the entire program envisioned by the bill. Exposure to liability for injury resulting from a donation to the program would clearly have a chilling effect on one's desire to assist the homeless. For these reasons, your Committee has given extensive thought to the question of donor liability and concludes that, under general common law principles, donors to homeless facilities would not be liable for ordinary negligence in any event, and the standards for gross negligence or willful or wanton conduct are not changed by the provisions of this bill.

On further consideration of the bill, your Committee has amended the definition of "Homeless family" to mean a household with at least one dependent child under 18 years of age.

Your Committee has also amended the bill by replacing the entire contents of § -6, which deals with liability for injuries resulting from donor negligence. As amended, the bill exempts from all liability any donor who gives money for homeless programs; exempts from liability any donor of land and improvements or any donor who provides services or materials used to build or construct a homeless facility, except where injury results from the donor's gross negligence or wanton acts or omissions; and provides that if the donor gives the director a full accounting of all known dangers concerning donated land or facilities, the donor shall not be liable for injury resulting from the donation.

Your Committee wants to make clear, however, that this departure from the negligence standard of care to gross negligence is for this homeless situation only and is not to be viewed as a general policy change. The exigency of the circumstances and the need to encourage donations to the homeless program compels us to strike a delicate balance between affording adequate means of redress for injury versus the need for additional homes for the homeless.

Your Committee has further amended § -6 to require the director to inspect all donations for the purpose of ensuring that they are reasonably safe for public use.

Your Committee has also amended the bill by making technical changes which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1382, 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. 1382, S.D. 2, H.D. 1, C.D. 1.

Senators Yamasaki, Crozier, Kobayashi, B., and George.
Managers on the part of the Senate.

Representatives Tom, Isbell, Metcalf, Say, Arakaki, Chun, Duldulao, Kawakami, Yonamine, Anderson and Tatibouet.
Managers on the part of the House.

Representatives Arakaki and Tatibouet did not sign the report.

Conf. Com. Rep. No. 118 on S.B. No. 1247

The purpose of this bill is to clarify the provisions of Act 15, Session Laws of Hawaii 1988, relating to:

- (1) The acceptance by the counties of dedicated streets, rights of way, public facilities, and easements in connection with projects developed pursuant to Act 15, and the liability of the counties with respect thereto;

- (2) The subdivision, construction, and building standards applicable to projects developed pursuant to the Act;
- (3) The conformance of county plans and standards with final project plans and specifications certified by the Housing Finance and Development Corporation;
- (4) Disclosure to purchasers of the fact that a project has been developed pursuant to Act 15;
- (5) The State's responsibility with respect to the correction of construction defects; and
- (6) The extent of the State's obligation to indemnify the counties for injury, death, or property damage resulting from the design, planning, engineering, construction, or maintenance of dedicated public facilities.

Your Committee considered a county objection to the effect that the bill unlawfully requires a local governing body "to take legislative action on a particular subject and to reach a particular result" in connection with the bill's requirement that the counties conform their plans and standards to the final plans and specifications of an Act 15 project. This issue was submitted to the Department of the Attorney General and, after consultation, your Committee finds that this characterization of the language in the bill is not warranted. The county action required by the provision in question is ministerial in nature and, as such, necessitates no legislative action on the part of the county councils.

Your Committee further considered the existing and proposed provisions of the bill concerning the respective liability of the State and counties with regard to injury attributable to Act 15 projects, and requested the opinion of the Department of the Attorney General on this issue. After reviewing the Department's response in reference to Chapter 662, relating to acceptance of liability by the State, your Committee has amended the bill to provide that in a legal action against the county concerning a project developed under the Act, the State shall indemnify and hold the county harmless for all matters over which the State exercised responsibility or control and as to which there was a breach by the State of a duty owed to the plaintiff.

Your Committee has also amended the bill by making technical changes and correcting grammatical errors at page 2, line 11 and page 3, line 5. These amendments have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1247, 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. 1247, S.D. 1, H.D. 2, C.D. 1.

Senators Crozier, Aki and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Isbell, Ihara Jr., Hashimoto, Kawakami, Taniguchi and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 119 on S.B. No. 1088

The purpose of this bill is to authorize use of blue emergency lights on Department of Public Safety vehicles.

This bill also requires the Director of Finance of the City and County of Honolulu to provide, for a fee, special license plates displaying the words "Combat" and "Wounded" upon application by veterans who were awarded the Purple Heart by the U.S. Department of Defense.

Your Committee finds that Department of Public Safety vehicles should be equipped with blue lights to facilitate emergency responses. Your Committee also finds that wounded veterans are deserving of special consideration and attention of the kind afforded by special license plates.

Your Committee has amended this bill by providing that the special license plates are also awardable upon certification that the applicant is a veteran, and that the license plates for these individuals shall contain the word "VETERAN." Also, your Committee has specified that these special designations shall be on the left side of the license plates in a manner similar to Congressional and Honorary Consul license plates.

Your Committee has further amended this bill by giving the Section on license plates an effective date of January 1, 1992, and by making several nonsubstantive technical changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1088, 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. 1088, S.D. 1, H.D. 2, C.D. 1.

Senators Mizuguchi, Crozier and Koki.
Managers on the part of the Senate.

Senator Koki did not sign the report.

Representatives Oshiro, Metcalf, Amaral, Baker, Horita and Ward.
Managers on the part of the House.

Representatives Horita and Ward did not sign the report.

Conf. Com. Rep. No. 120 on S.B. No. 1756

The purpose of this bill is to amend Hawaii's environmental response or "superfund" law to enable the Department of Health to more effectively administer the State Hazard Evaluation and Emergency Response Program. This bill incorporates various new provision into Hawaii's superfund law, including provisions taken from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Superfund Amendments and Reauthorization Act. This bill also makes housekeeping amendments to correct technical errors in the law.

Your Committee has amended this bill by:

- (1) Prohibiting the commencement of any citizen suit against any person, including the State, who is alleged to be in violation of any rule, requirement, or order pursuant to the Environmental Response Law if the director has issued a notice letter to the violator concerning the violation or has undertaken a response action, including investigation, with respect to the violation;
- (2) Limiting the definition of "contractual relationship" to definitional terms by removing provisions which apply more correctly to liability and are contained elsewhere in the Chapter;
- (3) Removing pesticide products registered under the Federal Insecticide, Fungicide, and Rodenticide Act from the definition of "hazardous substance";
- (4) Reinserting pollutants and contaminants with those substances which are prohibited from release into the environment or for which release remedial action is required;
- (5) Replacing "pollutants or contaminants" into provisions applying to "hazardous substances" in definitions of "release", "remedy" or "remedial action" and "remove" or "removal action";
- (6) Authorizing the Director to take action whenever there is a substantial threat of a pollutant or contaminant into the environment;
- (7) Providing for liability for payment of all costs incurred by the State in the restoration, rehabilitation, or replacement or acquisition of the equivalent of any natural resources injured, destroyed, or lost as a result of a release of a hazardous substance or pollutant or contaminant;
- (8) Mandating the Department to publish a listing of sites subject to de minimus settlements;
- (9) Requiring the Department to adopt the State Contingency Plan and other rules to implement the Environmental Response Law by December 31, 1992;
- (10) Permitting a person who receives and complies with the terms of any order to bring an action to review the order at any time;
- (11) Providing that the criminal penalties for failing to report the release of hazardous substances to the Department, and for knowingly releasing a hazardous substance into the environment, as set forth in Sections 128D-3 and 128D-8, shall not take effect until the state contingency plan has been adopted;
- (12) Providing that any person who knowingly releases a hazardous substance shall be subject to prosecution of a class C felony or punishable by a civil penalty of not more than \$100,000 per day of violation;
- (13) Allowing a person receiving an order issued by the Director to supplement the administrative record with other documents, writings, and materials within thirty days after receipt of the order.
- (14) Providing that criminal and civil penalties for the failure to report the release of a hazardous substance and for the knowing release of a hazardous substance shall not attach to employees acting within the scope of their employment who have no managerial or supervisory authority.

Your Committee understands that the concept of citizen suits is a relatively untried one in the State. A balance needs to be reached to allow citizens access to the courts to protect the environment and yet it is important that this access not be abused. This provision is an attempt to strengthen Hawaii's environmental laws and yet may need to be studied and refined. It is suggested that perhaps the full implications of allowing citizen suits in this context should be further explored during the interim and that the Legislature consider modifications to this provision during the 1992 Session.

Your Committee has also made technical, nonsubstantive amendments for purposes of style and clarity and to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1756, 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. 1756, S.D. 1, H.D. 2, C.D. 1.

Senators Chang, Hagino, Ikeda, Levin, Solomon and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Hiraki, Metcalf, Amaral, Hagino, Santiago and Thielen.

Managers on the part of the House.

Conf. Com. Rep. No. 121 on S.B. No. 1449

The purpose of this bill is to reorganize the membership of the Board of Trustees of the Employees' Retirement System and allow retirees to purchase membership service credit for active military service.

Specifically, the bill increases the membership of the Board from seven to eleven, with five rather than three members who are not public employees and five members appointed by the Governor with the advice and consent of the Senate for six year terms as follows:

- (1) One representing Bargaining Units (1) and (10);
- (2) One representing Bargaining Units (2), (3), (4), (6), (8), (9), and (13);
- (3) One representing Bargaining Units (5) and (7);
- (4) One representing Bargaining Units (11) and (12); and
- (5) One retiree of the System.

The Director of Finance continues as an ex officio member, and the System shall make findings and recommendations to ensure smooth transition and report to the 1992 Legislature. Actual reorganization will not be effective until January 1, 1998.

The provision allowing purchase of military service would be repealed December 31, 1993.

Your Committee finds that the Employees' Retirement System Board of Trustees has not been reorganized for many years and that this bill is needed to ensure that the System is responsive to contemporary needs of its membership.

Your Committee has amended this bill by deleting the military service buy-back provision and instead requiring the Board of Trustees to study the proposal and report to the 1992 Legislature.

Your Committee has further amended this bill by reorganizing the Board of Trustees as follows:

- (1) One general employee and one teacher to serve for five rather than six years;
- (2) Four non-employees also to serve for five rather than six years;
- (3) Three employee trustees appointed by the Governor with the advice and consent of the Senate, of whom one will be nominated by the Exclusive Representative of Bargaining Units (2), (3), (4), (6), (8), (9), and (13), one of whom will be nominated by the Representative of Bargaining Units (11) and (12), and one of whom will be nominated by the Representatives of Bargaining Units (1) and (10);
- (4) The retiree trustee; and
- (5) The Director of Finance.

One new non-employee will be appointed for two years and one for four years. The employee trustee nominated from Units (2), (3), (4), (6), (8), (9), or (13) will be appointed effective January 1, 1994 for five years; the employee trustee nominated from Units (1) or (10) will serve for three years; the employee trustee nominated from Units (11) or (12) will serve for one year; and the retiree trustee will serve for five years. In addition, the System's transition report will be submitted to the 1993 Regular Session of the Legislature rather than the 1992 Regular Session.

To accommodate the change in membership, your Committee has amended Section 88-28, Hawaii Revised Statutes, to provide that six rather than four concurring votes on the Board shall be necessary to validate a decision.

Finally, your Committee has provided that the bill shall be effective on January 1, 1992, except for the Section calling for a study of the military service buy-back provision, which will take effect on July 1, 1991.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1449, 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. 1449, S.D. 1, H.D. 2, C.D. 1.

Senators Mizuguchi, Kobayashi, A. and Koki.
Managers on the part of the Senate.

Representatives Takamine, Souki, Alcon, Ihara Jr., Yonamine and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 122 on S.B. No. 1914

The purpose of this bill is to amend the taxation laws relating to insurance companies by:

- (1) Repealing preferential tax rates enjoyed by Hawaii insurance companies and levying the same rates on both domestic and foreign insurers;

- (2) Requiring insurers whose annual tax liability is more than \$1,000 for the preceding calendar year to make quarterly, rather than monthly payments based on either of two payment schedules;
- (3) Authorizing tax credits to qualified insurers that do not exceed 1.2 per cent of the gross premiums taxed, and establishing requirements for the credits;
- (4) Requiring taxpayers to submit written requests for credits to the insurance commissioner within three rather than six years of the date of the payment of taxes, fees, or other charges made in error; and
- (5) Providing for an alternative schedule of tax rates in the event that provisions in this bill are found to be unconstitutional.

Presently, insurance companies are granted certain tax benefits that are not enjoyed by other businesses in Hawaii. While many of the benefits are justifiable, your Committee finds that certain tax benefits should be reconsidered and eliminated wherever appropriate. Your Committee further finds that the tax exemption for gross income or gross proceeds from real property rentals enjoyed by insurance companies is not warranted, and that insurance companies should be taxed as are all other entities engaged in this type of business in the State.

The legislature intends to hold comprehensive hearings on the taxation of insurance companies before the convening of the regular session of 1992. This bill is intended to be the first step in the reform of the state laws governing the taxation of insurance companies.

Your Committee has amended this bill by deleting the substance and by providing for the taxing of insurance company gross income or gross proceeds received after December 31, 1991, as rents from investments in real property in the State.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1914, 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. 1914, S.D. 2, H.D. 1, C.D. 1.

Senators Yamasaki, Ikeda, Iwase, Kobayashi, A. and George.
Managers on the part of the Senate.

Representatives Hirono, Souki, Hiraki, Metcalf, Morihara, Tajiri and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 123 on S.B. No. 818

The purpose of this bill is to provide qualified employees a total of three months of family leave upon the birth or adoption of a child of the employee or to care for the employee's child, spouse, or parent with a serious health condition. The bill imposes the family leave requirement on all employers with two hundred or more employees and qualifies employees who are employed for at least three consecutive months by the employer from whom the leave benefits are sought.

Your Committee has made the following amendments to the bill:

- (1) To be eligible for family leave, an employee must have been employed for at least six instead of three consecutive months by the employer from whom benefits are being sought;
- (2) The family leave requirement is to be imposed on employers with one hundred instead of two hundred or more employees;
- (3) The definition of "health care provider" has been changed to mean a physician as defined in the workers' compensation law;
- (4) Section -3 was amended to clarify that an employee is entitled to take four weeks of leave during any calendar year; to allow the leave to be taken intermittently during each calendar year; to prohibit the accumulation of the leave; to authorize an employer to require an employee to make up the leave within the same pay period if the unpaid leave conflicts with the unreduced compensation requirement for exempt employees under the federal Fair Labor Standards Act; and to preclude an employee from taking more than a total of four weeks of leave in any twelve-month period;
- (5) The last sentence in section -4 was amended to add the term "accrued" before the phrase "...paid leaves such as...";
- (6) Section -6 was amended to clarify that the certification of the birth of a child be issued by a health care provider or the family court or, in the case of the placement of a child for adoption, by a recognized adoption agency, the attorney handling the adoption, or the individual officially designated by the birth parent to select and approve the adoptive family;
- (7) Section -7(a) was amended to add a provision denying the employee reinstatement rights in the event the employer experiences a layoff or workforce reduction and the employee would have lost a position had the employee not been on leave;

- (8) Section -9 was amended to add a provision requiring the director of labor and industrial relations to assist employers in the training and placement of temporary help to perform the work of those employees on family leave;
- (9) The appropriation section was deleted;
- (10) A new section was added to require the legislative reference bureau to conduct a study on family leave which shall cover the fiscal impact of the leave; tax credits for employers; the experience of public sector employers and other employers already providing family leave; the responsibilities resulting from the Act for the director of labor and industrial relations and director of taxation; and guidelines for determining when a health condition is acute, traumatic, or life-threatening; and
- (11) The effective date section was amended to add a proviso to delay the application of the Act to private sector employers until January 1, 1994.

Your Committee on Conference intends that family leave as provided by this bill, as amended, shall be available only for those health conditions of a seriously demanding nature, requiring urgent attention by a health care provider. It is expected that such acute health conditions will have come on suddenly and be of short duration.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 818, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. 818, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, A., Mizuguchi, Solomon and George.
Managers on the part of the Senate.

Senator George did not sign the report.

Representatives Takamine, Souki, Baker, Kanoho, Taniguchi, Yonamine and Marumoto.
Managers on the part of the House.

Representative Takamine did not sign the report.

Conf. Com. Rep. No. 124 on S.B. No. 1462

The purpose of this bill is to provide funding to continue the Moving Image Preservation project.

Your Committee finds that film, video material, and moving images are important forms of historical records and should be given adequate protection and preservation to allow continued access to their use.

Your Committee has amended the bill to increase the amount of the appropriation from \$1 to \$50,000 for each of fiscal years 1991-1992 and 1992-1993.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1462, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1462, H.D. 1, C.D. 1.

Senators Yamasaki, Hagino, Tungpalan and George.
Managers on the part of the Senate.

Representatives Tam, Say, Chang and O'Kieffe.
Managers on the part of the House.

Representative Tam did not sign the report.

Conf. Com. Rep. No. 125 on S.B. No. 1567

The purpose of this bill is to prohibit the sale of cigarettes from vending machines except in a bar, cabaret, or any establishment for which the minimum age for admission is eighteen.

Your Committee finds that although current law prohibits a minor from purchasing tobacco products, many minors illegally purchase cigarettes from vending machines, most of which are left unattended and unsupervised. This measure proposes to regulate the dispensing of tobacco products and make cigarette vending machines less accessible to minors by allowing them only in establishments that do not admit minors.

Your Committee has amended this bill by extending the effective date to July 1, 1992, to allow more time for those concerned to meet its provisions. Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1567, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1567, S.D. 1, H.D. 1, C.D. 2.

Senators McMurdo, Levin and Koki.
Managers on the part of the Senate.

Representatives Shon, Metcalf, Amaral, Arakaki, Bainum, Hagino and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 126 on S.B. No. 246

The purpose of this bill is to:

- (1) Specify that the establishment of reasonable charges by the director of health for treatment services related to mental health, mental illness, drug addiction, and alcoholism, is to be carried out pursuant to the Hawaii Administrative Procedure Act;
- (2) Make every person who is hospitalized or who receives treatment services at psychiatric facilities or community mental health centers under the jurisdiction of the State or a county, or at psychiatric facilities or community mental health centers that derive more than fifty per cent of their revenues from the general fund of the State, liable for the expenses attending the person's reception, maintenance, and treatment;
- (3) Make every parent or legal guardian of a minor, and every spouse of a patient, who is hospitalized or who receives treatment services at psychiatric facilities or community mental health centers under the jurisdiction of the State or a county, or at psychiatric facilities or community mental health centers that derive more than fifty per cent of their revenues from the general fund of the State, liable for the expenses attending the reception, maintenance, and treatment of the child or spouse;
- (4) Requiring case managers of persons hospitalized or receiving services pursuant to court orders, to encourage the person's parent, legal guardian, or spouse to apply for available insurance coverage and assist the person in applying for the coverage; and
- (5) Deleting provisions:
 - (A) Requiring the director to consider the financial circumstances of a patient and the patient's family when making collections on charges for outpatient professional and other personal services;
 - (B) Authorizing the director to adjust the amount of any liability so that the charges imposed will not tend to make the patient or the patient's family a public charge or deprive them of necessary support; and
 - (C) Authorizing the director to defray the hospital expenses of indigent or medically indigent persons needing hospital treatment for mental illness, drug addiction, or alcoholism.

Your Committee has amended this bill by:

- (1) Expanding its applicability to include all services and service-related expenses;
- (2) Requiring every person who is liable for service-related expenses to make reasonable efforts to utilize any available insurance coverage, including private insurance, medicare, and medicaid, to offset these costs;
- (3) Reinstating the provision authorizing the director of health to adjust the amount of any service-related liability so that the charges imposed will not tend to make the patient or the patient's family a public charge or deprive them of necessary support;
- (4) Authorizing a court to order any person hospitalized or receiving services to make reasonable efforts to utilize any available insurance coverage to offset any service-related costs;
- (5) Requiring a court to order a person's case manager to encourage the person to apply for any available insurance coverage and assist the person in applying for this coverage; and
- (6) Requiring case managers of all persons hospitalized or receiving services, rather than just the case managers of persons hospitalized or receiving services pursuant to court orders, to encourage the person or the person's parent, legal guardian, or spouse to apply for any available insurance coverage and assist the person in applying for this coverage.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 246, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 246, H.D. 1, C.D. 1.

Senators Yamasaki, Levin, McMurdo and Koki.
Managers on the part of the Senate.

Representatives Shon, Tom, Arakaki, Chun, Duldulao and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 127 on S.B. No. 1340

The purpose of this bill is to:

- (1) Establish a long-term care financing advisory board composed of ten members consisting of:
 - (A) Five members appointed by the governor who shall have backgrounds in insurance management, financial portfolio management, or health care management, or persons of similar experience;
 - (B) One consumer member who shall be a senior citizen; and
 - (C) Four ex officio members: the director of the executive office on aging, director of finance, director of health, and the director of human services;

- (2) Require the long-term care financing advisory board to advise the executive office on aging on the establishment of a comprehensive long-term care financing program for Hawaii residents and to consider the feasibility of creating a public fund to be administered by a public body;
- (3) Require the advisory board to establish a variety of recommendations for guidelines for the financing program including guidelines for participation, schedule of required contribution rates, benefit vesting guidelines, and terms and conditions for the receipt of program benefits, including eligibility requirements; and
- (4) Define "long-term care".

The members of the advisory board are to serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of the expected family asset expenditures for nursing home care between 1991 and 2020 from \$210,300,000 to \$212,300,000 on page 2, line 15;
- (2) Amending the language in section 5 to require the advisory board to submit a copy of its report with recommendations to the president of the senate and the speaker of the house of representatives in addition to the governor, before November 1, 1991; and
- (3) Deleting the requirement that the governor transmit the report to the chairs of the senate committee on health and human services and the house committee on human services and committee on health.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1340, 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. 1340, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, A., Levin and McMurdo.
Managers on the part of the Senate.

Representatives Tom, Souki, Arakaki, Chun, Ige, M., Kawakami, Tajiri and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 128 on S.B. No. 809

The purpose of this bill is to appropriate funds for the design and construction of a bike path and walkway makai of Kamehameha Highway from the entrance of Waimea Bay to the proposed city and county of Honolulu Waialea Beach Park.

Your Committee amended this bill by changing the appropriated amount from \$1 to \$400,000 and by deleting the reference to "an eight foot" bike path on line 4 so that the width of the path remains flexible.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 809, 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. 809, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Hagino, Nakasato and Koki.
Managers on the part of the Senate.

Representatives Oshiro, Souki, Baker, Chang and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 129 on S.B. No. 1511

The purpose of this bill is to appropriate funds for a classroom library at Kapaa Elementary School on the island of Kauai.

Although Kapaa Elementary is the most populated elementary school in the State, it does not have its own library facilities and currently uses the facilities at Kapaa High School. Your Committee finds that in order to provide Hawaii's children with a quality education, proper resources and facilities must be made available to them.

Your Committee has amended this measure by increasing the appropriation from \$1 to \$80,000, and by making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1511, 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. 1511, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Kobayashi, B., McCartney and George.
Managers on the part of the Senate.

Representatives Tam, Say, Isbell, Kanoho and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 130 on S.B. No. 1962

The purpose of this bill is to amend certain provisions of Chapter 342J, Hawaii Revised Statutes, which deal with hazardous waste requirements. This bill would make the State's hazardous waste regulatory program substantially equivalent to the federal Resource and Recovery Act (RCRA) program administered by the United States Environmental Protection Act (EPA), as part of a plan to obtain authorization from the EPA for the State to administer its hazardous waste program in lieu of the federal RCRA program.

Your Committee, in Conference Draft 1, amended the bill by deleting the section pertaining to the waiver or reduction of fees charged for copying public documents if a waiver or reduction is in the public interest. Your Committee was incorrect in its previous assumption that the section on waiver was already provided for under Section 92F-42(13) of the Hawaii Revised Statutes.

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

- (1) Adding language relating to copy fee waiver; and
- (2) Correcting a typographical error in section 19 of the bill to reflect the five-year drop-dead clause for the section on citizen's suits.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1962, S.D. 2, H.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1962, S.D. 2, H.D. 2, C.D. 2.

Senators Blair, Chang, Hagino, Levin and Reed.
Managers on the part of the Senate.

Representatives Hiraki, Metcalf, Amaral, Santiago, Young and Thielen.
Managers on the part of the House.

Representative Amaral did not sign the report.

Conf. Com. Rep. No. 131 on S.B. No. 1224

The purpose of this bill is to exempt from the general excise tax, amounts received by the operator of a county transportation system from a political subdivision under an operating contract with the political subdivision, where the political subdivision is the owner of the county transportation system.

Your Committee has amended this bill by deleting references to an automated guideway transit system, and by making three technical nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1224, 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. 1224, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Aki, Fernandes Salling and George.
Managers on the part of the Senate.

Representatives Oshiro, Souki, Hashimoto, Say, Yonamine and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 132 on S.B. No. 1286

The purpose of this bill is to authorize state agency appointing authorities, with the approval of the director of personnel services, to provide incentives to enhance the State's ability to recruit persons to fill certain position vacancies.

Your Committee finds that there are occasions when the State encounters severe problems in recruiting qualified personnel to fill certain employment vacancies. Currently, the state civil service law does not provide state agencies with the necessary flexibility to attract candidates with the necessary qualifications. This bill authorizes appointing authorities to offer certain incentives to employment candidates to overcome recruitment difficulties.

Following its review of this measure, your Committee has amended this bill by deleting the proposed amendments to section 76-23, Hawaii Revised Statutes, with respect to the filling of vacancies.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1286, 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. 1286, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Takamine, Say, Chang, Hashimoto, Yonamine and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 133 on S.B. No. 1338

The purpose of this bill is to set effective July 1, 1991, the salary range of the deputy district superintendents to an unspecified minimum and maximum amount.

Your Committee on Conference has amended this bill by specifying the salary range for deputy district superintendents to not less than \$65,683 nor more than \$72,886 a year.

Your Committee on Conference finds it imperative, however, that the superintendent of education look into the problem of the lack of a sufficient number of vice principals in the educational system. The current level of providing only an eight per cent increase in compensation may be an insufficient incentive for qualified teachers to apply for vice principal positions. However, your Committee on Conference is aware that there must also be sufficient incentives to make it rewarding for teachers to remain teachers at salaries that reflect their skills and knowledge. The solutions to this dilemma require the superintendent's urgent attention.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1338, 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. 1338, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Takamine, Tam, Souki, Chun, Kawakami, Yonamine, Young and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 134 on S.B. No. 8

The purpose of this bill is to create an entity known as the Hawaii Property Insurance Association which will provide basic property insurance to owners and occupants of property in areas of high risk to natural disasters.

The association is to be composed of all insurers authorized to transact property or casualty insurance in Hawaii except those engaged only in writing no-fault policies for U-drive vehicles. The association is to formulate a plan of operation to provide insurance to persons in an area designated by the commissioner after consultation with representatives of the United States Geological Survey, the state department of defense, and the county in which the area is located.

Your Committee on Conference has amended the bill as follows:

- (1) The purpose section was expanded to emphasize that the legislature's intent is to assist owners and occupants of property in high risk areas and not to provide insurance coverage for large-scale development or for imminent lava flows or attendant losses or to encourage further development in high risk areas;
- (2) Section 431: -105(b)(1) was amended to allow the association to include coverage for commercial risks up to the limits of coverage for residential risks as additional coverage;
- (3) Section 431: -105(b) was amended to allow the association to devise a method to give credit to member insurers for homeowners and fire insurance policies individually underwritten on risks located in the designated area;
- (4) Section 431: -114 was amended to delete the phrase "...or any of its subdivisions", thus exempting the association only from the payment of state taxes;
- (5) Section 431: -119 which would have imposed a \$5 fee on each policy issued by the association to cover the association's operational expenses was deleted; and
- (6) An appropriation section was added to provide \$100,000 for fiscal year 1991-1992 only to cover the operational costs of the association and to make it clear that no appropriated funds may be used for payments on policies issued by the association.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 8, 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. 8, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Ikeda, Kobayashi, A. and George.
Managers on the part of the Senate.

Representatives Hirono, Souki, Chang, Metcalf, Morihara and Ward.
Managers on the part of the House.

Conf. Com. Rep. No. 135 on S.B. No. 113

The purpose of this bill is to appropriate the sum of \$1 for fiscal year 1991-1992, and the sum of \$1 for fiscal year 1992-1993, to the department of health, for the University of Hawaii to carry out a study to characterize the nature of a non-ciguatera marine toxin suspected of causing the deaths of two Atlantic dolphins living in the lagoon of the Hyatt Regency Waikoloa Hotel in Kona, Hawaii.

Your Committee has amended this bill by changing the sum appropriated for fiscal year 1991-1992 from \$1 to \$77,038, and changing the sum appropriated for fiscal year 1992-1993 from \$1 to \$58,078.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 113, 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. 113, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Chang and George.
Managers on the part of the Senate.

Representatives Stegmaier, Shon, Souki, Apo, Bainum, Tajiri, Young and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 136 on S.B. No. 1311

The purpose of this bill is to transfer the ownership and jurisdiction over certain state parks to the counties and the ownership and jurisdiction over certain county parks to the State. This bill also appropriates funds for the development of a master plan for the old Kona airport state recreation area in the county of Hawaii. This bill also appropriates funds to the counties to provide support for the responsibilities transferred from the State to the counties.

Your Committee finds that the State and the counties have discussed the issue of transferring the estate, right, title, and interest to certain parks between jurisdictions for a number of years. This bill is the result of an agreement reached between the State and the counties with respect to the ownership and jurisdiction over these parks.

Upon further consideration of this measure, your Committee has amended this bill by stipulating that the 16th avenue park (TMK nos. 3-3-14:15, 16, and 17; 3-3-17:1; and 3-3-19:2 and 5) shall be transferred from the State to the city and county of Honolulu with the understanding that the park shall be utilized exclusively for recreational purposes. Your Committee finds that this will ensure the preservation of this park for recreational uses.

Your Committee has further amended this bill by reducing the appropriation proposed for the Kona airport recreation area plan from \$200,000 to \$100,000.

Your Committee has further amended this bill by including a new part II which authorizes the establishment of an "'aina hoomalu state parks program". The provisions inserted into part II of this bill with respect to the 'aina hoomalu program were derived from H.B. No. 1061, H.D. 2, S.D. 1. Your Committee finds that the 'aina hoomalu park program will offer park users a variety of experiences that will enhance their appreciation of Hawaii's cultural, ecological, and recreational resources.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1311, 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. 1311, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Nakasato, Solomon and Koki.
Managers on the part of the Senate.

Representatives Hagino, Ihara Jr., Metcalf, Souki, Alcon, Baker, Hashimoto, Kawakami, Santiago, Takamine, Yoshimura, Young, Marumoto and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 137 on S.B. No. 1718

The purpose of this bill is to repeal the law relating to the underground storage tank financial responsibility guarantee fund.

Your Committee has amended this bill by deleting its entire contents and inserting language:

- (1) Repealing the laws relating to the establishment and composition of the underground storage tank financial responsibility guarantee fund and, instead, requiring the department of health to collect underground storage tank fees that, after the deduction of administrative expenses necessary for the implementation of this Act, are to be placed into a separate account of the Hawaii capital loan revolving fund for the purpose of making loans to businesses to replace, upgrade, close, take remedial action relating to; and clean up releases from, their underground storage tanks;
- (2) Changing the title of section 342L-36.5, Hawaii Revised Statutes, from "financial responsibility guarantee fund" to "underground storage tank fees";
- (3) Requiring all moneys received as repayment of loans and interest payments pursuant to the law relating to underground storage tank fees, to be deposited into the Hawaii capital loan revolving fund;
- (4) Authorizing the director to suspend the collection of fees when the account established in the Hawaii capital loan revolving fund has a sufficient balance to meet actual and projected loans, rather than claims;
- (5) Requiring every owner, rather than every owner or operator, who has complied with the notification requirements of the underground storage tanks law and whose tank is currently in use, to:
 - (A) Pay a registration fee of \$250, rather than a maintenance fee of \$200, to the director for each petroleum underground storage tank, beginning October 1, 1991, rather than October 1, 1990; and
 - (B) Pay an annual registration fee of \$250, rather than a biannual maintenance fee of \$100, to the director for each petroleum underground storage tank, after October 1, 1991;

- (6) Authorizing the director to increase or decrease the amount of the fee in order to maintain an adequate level in the separate account established in the Hawaii capital loan revolving fund, rather than in the underground storage tank financial responsibility guarantee fund;
- (7) Repealing the requirement that the department submit a report to the legislature with proposed legislation to provide for a financial guarantee program;
- (8) Authorizing the department to adopt rules to establish the conditions and eligibility requirements related to tank replacement, upgrade, closure, and remediation, and the clean up of releases, necessary for persons to utilize the Hawaii capital loan program, rather than requiring the department to adopt rules relating to the acquisition and maintenance of certification under the financial guarantee program;
- (9) Repealing the laws relating to certification under the financial guarantee program, interim application requirements for certification, and the review of interim applications;
- (10) Repealing the law requiring the department of health to coordinate with and enlist the assistance of the department of commerce and consumer affairs on matter relating to finance and insurance;
- (11) Defining:
 - (A) "Account" to mean the separate account established in the Hawaii capital loan revolving fund that, after deduction for administrative expenses needed for the implementation of this Act, is to be used for the purpose of making loans to businesses replacing, upgrading, closing, taking remedial action relating to, or cleaning up releases from, their underground storage tanks; and
 - (B) "Hawaii capital loan revolving fund" to mean the revolving fund established pursuant to section 210-3, Hawaii Revised Statutes.
- (12) Repealing the amendments to section 210-3 and section 342L-36.5, Hawaii Revised Statutes, on January 1, 1993, and providing that section 210-3 and section 342L-36.5, Hawaii Revised Statutes, are to be reenacted in the form in which they read on the day before the approval of this Act.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1718, 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. 1718, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Chang, Levin and George.
Managers on the part of the Senate.

Representatives Hiraki, Souki, Alcon, Morihara, Tajiri and O'Kieffe.
Managers on the part of the House.

Conf. Com. Rep. No. 138 on S.B. No. 1797

The purpose of this bill is to:

- (1) Require any defendant convicted of crimes related to domestic abuse to appear at a subsequent hearing to determine whether the defendant has complied with all conditions of the court's sentence, but allows the court to waive the defendant's appearance if a court officer has determined that the defendant has complied with all conditions of the sentence; and
- (2) Appropriate funds to be expended by the commission on the status of women to disseminate information about abuse and resources available to victims, examine the causes of domestic violence and abuse, and recommend solutions, particularly concerning methods of minimizing the occurrence of domestic violence in the State and encourage healthy family relationships and individual self-esteem.

Your Committee upon further consideration has amended S.B. No. 1797, S.D. 2, H.D. 2, by:

- (1) Amending section 709-906(5) relating to abuse of family and household members to permit the court to suspend any portion of a jail sentence, except for the mandatory forty-eight hours, upon the condition that the defendant remain arrest-free and conviction-free or complete court-ordered counseling;
- (2) Deleting the bracketing and the underscored language at lines 3-8 on page 1 and instead inserting the word "any" before the word "treatment" at line 4 and deleting the phrase "at any available domestic violence program" at lines 4-5;
- (3) Deleting the underscored language at lines 11-20 on page 1 and instead inserting the following "The court shall order a subsequent hearing at which the person is required to make an appearance, on a date certain, to determine whether the person has completed the ordered treatment. The court may waive the subsequent hearing and appearance where a court officer has established that the person has completed the treatment ordered by the court.";
- (4) Appropriating \$115,000 for fiscal years 1991-1992 and 1992-1993 to be expended by the judiciary to hire persons to fill four social worker positions;

- (5) Changing the amount appropriated for the commission on the status of women from the sum of \$1 to \$50,000; and
- (6) Making a few technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1797, 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. 1797, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Blair, Hagino and Koki.
Managers on the part of the Senate.

Representatives Metcalf, Say, Amaral, Hirono, Tajiri and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 139 on S.B. No. 1737

The purpose of this bill as received is to amend section 3 of Act 111, Session Laws of Hawaii 1990 (community-based enterprise development), to eliminate the restriction on the amount of the funds appropriated for the Hawaii community-based development revolving fund that can be used to provide grants and to appropriate \$2 to the Hawaii community-based development revolving fund for the provision of grants to traditional or small community-based businesses or enterprises.

Your Committee upon further consideration has amended S.B. No. 1737, S.D. 2, H.D. 2, by deleting the contents of the bill entirely and substituting the language of H.B. No. 1705, H.D. 1, with the following changes to page 2:

- (1) Changed the word "not" to "no" at line 3;
- (2) Deleted the phrase "appropriate moneys to the Hawaii community-based development revolving fund, and to" at lines 5 to 6; and
- (3) Inserted "Hawaii community-based development" before the word "revolving" at line 7.

As amended, the purpose of the bill is to amend chapter 210D, Hawaii Revised Statutes (relating to community-based development), to allow the department of business, economic development, and tourism to use moneys in the Hawaii community-based development revolving fund not appropriated for a specific purpose to make either grants or loans, provided that any reallocation of funds does not deplete those available for loans. The bill also appropriates \$50,000 to the Hawaii community-based development revolving fund for the purpose of providing grants.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1737, 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. 1737, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Aki, Matsuura and George.
Managers on the part of the Senate.

Representatives Bellinger, Souki, Baker, Lee and Marumoto.
Managers on the part of the House.

Conf. Com. Rep. No. 140 on S.B. No. 1792

The purpose of this bill is to clarify and strengthen the existing correctional industries law. Presently, services provided by the correctional industries program are restricted to the construction, renovation, and repair of private nonprofit agency facilities. This bill would allow the program to expand its services to include work on an agency's grounds, furniture, vehicles, and equipment.

The program is further restricted in its ability to purchase items used in the manufacture of its goods and services on a nonbid basis. This bill authorizes and provides the program with added flexibility by exempting all purchases from the public bidding requirements of chapter 103, Hawaii Revised Statutes.

Finally, the bill allows inmates to be compensated for work assignments from the correctional industries revolving fund, and removes any restriction regarding the use of inmate earnings for purposes of restitution. The latter amendment will allow the department of public safety to qualify this program for federal certification.

Your Committee has amended this bill by:

- (1) Authorizing the director of public safety to develop programs for inmates in other industries rather than only the construction industry; and
- (2) Deleting the additional words "anything purchased" in section 3 and replacing the word "purchases" to clarify the intent that all purchases shall be exempt from the public bidding process.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1792, 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. 1792, S.D. 2, H.D. 1, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Say, Tom, Amaral, Bainum, Chang, Chun, Peters and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 141 on S.B. No. 1839

The purpose of this bill is to deter repeat offenses by sex offenders and career criminals by requiring these individuals to submit to blood and saliva testing to be used for a DNA identification profile that will allow law enforcement officials to identify re-offenders.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 1839, S.D. 1, H.D. 1:

- (1) Amended the phrase "sex offenders and career criminals" at page 1, line 4, to "sex and violent offenders";
- (2) Deleted the words "unequivocally identifying" at page 1, line 16, and inserted "assisting in the identification of";
- (3) Narrowed the scope of the offender population that would be subject to testing by deleting the references on page 3, at lines 7 to 8, to Hawaii Revised Statutes sections 707-702 (manslaughter), 707-710 (assault in the first degree), 707-720 (kidnapping), and 707-751 (promoting child abuse in the second degree); and
- (4) Changing the effective date from July 1, 1991 to July 1, 1992.

Technical, nonsubstantive amendments were made for purposes of style and clarity, and to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1839, 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. 1839, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Blair, Hagino and Koki.
Managers on the part of the Senate.

Representatives Metcalf, Say, Amaral, Bainum, Ige, M., Morihara and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 142 on S.B. No. 1858

The purpose of this bill is to improve the juvenile justice system by incorporating the powers, functions, and duties of the juvenile justice interagency board into the office of youth services and establishing four regional advisory boards and directorships to assist the office.

Your Committee on Conference has amended this bill as follows:

- (1) The last paragraph in the purpose section was amended to clarify that four regional boards and directorships are being established;
- (2) A paragraph was added to the section delineating the powers and duties of the regional directors to require that the regional director assist the executive director in coordinating, monitoring, and evaluating all programs and activities operated by the office within its region;
- (3) A new section was added to provide for the repeal of chapter 571D, Hawaii Revised Statutes, the chapter establishing the juvenile justice interagency board;
- (4) A new section was added to provide for the transfer of all rights, powers, functions, duties, personnel, appropriations, records, equipment, and other property from the juvenile justice interagency board to the department of human services to be administered by the office of youth services; and
- (5) Several nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1858, 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. 1858, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, A., McMurdo and Koki.
Managers on the part of the Senate.

Representatives Metcalf, Say, Amaral, Arakaki, Kanoho, Hiraki and Thielen.
Managers on the part of the House.

Conf. Com. Rep. No. 143 on S.B. No. 712

The purpose of this bill is to:

- (1) Exempt fifty per cent of the gross income of certain contract carriers by water from the public service company tax until June 30, 1994;

- (2) Require that an annual financial report be submitted to the department of taxation and the department of business, economic development, and tourism by each contract carrier and related partners, if any, for each year the exemption is claimed; that the report be filed on or before the first day of the fourth month following the taxable year; and that the report include an apportionment of operations within and without Hawaii;
- (3) Require an annual financial report to be due on or before March 1, 1994;
- (4) Require the director of taxation to submit the report to the legislature; and
- (5) Make failure to comply with the reporting requirements constitute a waiver of the right to claim the exemption.

Your Committee has amended this bill by:

- (1) Extending the exemption to one hundred per cent of the gross income of certain contract carriers until June 30, 1996;
- (2) Requiring annual financial reports to be filed on or before the fifteenth day of the fifth month following the close of the taxable year;
- (3) Requiring an annual financial report to be due on or before March 1, 1996; and
- (4) Requiring the director of taxation to submit only relevant financial data to the legislature to facilitate the reporting process.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 712, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 712, H.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, A. and George.
Managers on the part of the Senate.

Representatives Oshiro, Souki, Baker, Say, Yonamine and Anderson.
Managers on the part of the House.

Conf. Com. Rep. No. 144 on S.B. No. 2114

The purpose of this bill is to appropriate the sum of \$2 to the department of transportation for fiscal year 1991-1992, for plans and designs for the Ala Moana gateway improvement project. This bill requires the Ala Moana gateway improvement project to consist of two individual projects aimed at beautifying and enhancing the western Waikiki gateway. The two individual projects are:

- (1) Ala Moana boulevard improvements, which include the beautification and landscaping of the pedestrian areas between Atkinson boulevard and Kalakaua avenue and the addition of a traffic lane in the mauka direction between Kalia road and Kalakaua avenue; and
- (2) Ala Wai yacht harbor improvements, which include the beautification of Harbor road and the vicinity, the development of a ground-level retail promenade fronting the Ilikai hotel, the development of a two or three-level central parking garage, and the development of a new park at the old heliport area.

This bill also requires the department of transportation to expend the moneys appropriated in consultation with the Waikiki Improvement Association.

Your Committee has amended this bill by:

- (1) Changing the appropriation from \$2 to \$1,264,000;
- (2) Deleting the Ala Wai yacht harbor improvements project and requiring the Ala Moana gateway improvement project to consist of improvements to Ala Moana boulevard;
- (3) Dividing the Ala Moana boulevard improvements project into two components:
 - (A) Beautification and landscaping of the pedestrian areas of Ala Moana boulevard between Atkinson boulevard and Kalakaua avenue; and
 - (B) Addition of a traffic lane in the mauka direction from three hundred feet makai of Kalia road to Kalakaua avenue;
- (4) Requiring the beautification and landscaping component to include:
 - (A) Enlarging the sidewalk area by removing a portion of the median;
 - (B) Adding a landscaped planter between the boulevard and the widened sidewalk, shade trees, lower-level landscaping, sidewalk furniture and other pedestrian amenities; and
 - (C) Replacing the existing median with a pedestrian barrier to deter jaywalking, which may consist of a lava rock wall;

and

- (5) Requiring the traffic lane component to include a right-turn-only lane into Kalia road and another lane between Kalia road and Kalakaua avenue.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2114, 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. 2114, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Nakasato, Solomon and Koki.
Managers on the part of the Senate.

Representatives Cachola, Oshiro, Souki, Kawakami, Lee, Tajiri and Marumoto.
Managers on the part of the House.

Representative Lee did not sign the report.

Conf. Com. Rep. No. 145 on S.B. No. 1297

The purpose of this bill is to change the repeal date of Act 342, Session Laws of Hawaii 1986, from September 30, 1991 to September 30, 1993, thus maintaining the current legal drinking age at 21 for two additional years.

Your Committee finds that this bill will contribute to reducing the number of traffic accidents involving young adults. Also, without such legislation, the State of Hawaii will lose \$9 million in federal highway funds as a consequence of Public Law 98-363.

Your Committee on Conference was prepared to recommend that the drinking age be permanently fixed at 21. However, due to a late revelation by the Department of Transportation (DOT) informing your Committee that the Department had submitted an inadequate report regarding the extent to which Act 342 has reduced accidents, injuries, and fatalities caused by driving under the influence of alcohol, your Committee is compelled to require that the DOT submit a completed report before the law establishing the drinking age as 21 is made permanent. As the DOT has indicated that it can furnish the completed report before the convening of the 1992 legislative session, your Committee has moved up the date for repeal of the current drinking age from September 30, 1993 to September 30, 1992.

Your Committee has also amended the bill by providing that the DOT will be required to submit only one comprehensive report to the Legislature prior to the 1992 session and deleting the requirement of an additional report prior to the 1993 session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1297, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1297, H.D. 1, C.D. 1.

Senators Fernandes Salling, Aki and George.
Managers on the part of the Senate.

Representatives Oshiro, Metcalf, Amaral, Baker, Hashimoto and Ward.
Managers on the part of the House.

Representatives Hashimoto and Ward did sign the report.

Conf. Com. Rep. No. 146 on S.B. No. 9

The purpose of this bill is to establish a Department of Environmental Protection, provided that the Legislature enacts the following amendments prior to July 1, 1992:

- (1) A determination of the functions and duties, including programs and personnel, to be transferred to the Department; and
- (2) The establishment of:
 - (A) A dual permit system with the Department of Health for activities that require both an environmental and health perspective;
 - (B) Mechanisms to coordinate departmental programs and policies with other departments;
 - (C) An environmental enforcement team to enforce current laws and write rules for the Department; and
 - (D) An environmental data system to correlate sources of pollution with locations of work, residence, and recreation of people who are affected by environmentally-influenced illnesses.

Your Committee has amended this measure by:

- (1) Establishing a Department of Environmental Protection under Section 26-4, Hawaii Revised Statutes;
- (2) Requiring the Governor to prepare an organizational and functional plan for the new department;

- (3) Authorizing the Governor to appoint a task force to assist him in preparing the plan;
- (4) Setting forth the scope of the task force's work;
- (5) Requiring the Governor to submit the organizational plan to the Legislature no later than thirty days prior to the convening of the 1992 legislative session as part of the supplementary executive budget; and
- (6) Providing for the repeal of this Act if the Legislature fail to enact the powers, duties, and other provisions necessary for the establishment of the Department during the 1992 Regular Session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 9, 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. 9, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Chang, Hagino and George.
Managers on the part of the Senate.

Representatives Hiraki, Ihara Jr., Shon, Takamine, Say, Alcon, Morihara and Thielen.
Managers on the part of the House.

Representative Alcon did not sign the report.

Conf. Com. Rep. No. 147 on S.B. No. 731

The purpose of this bill is to comply with the requirements of Article VII, Section 6, of the Constitution of the State of Hawaii. This section requires the legislature to provide either a tax refund or tax credit to qualified taxpayers whenever the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years.

Your Committee finds that these factors have been met for the tenth consecutive year, and that the tax credit established by this bill complies with the constitutional requirements.

Your Committee has amended this bill by establishing the amount of the tax credit at \$1 per resident individual taxpayer. Your Committee has further amended the bill by denying application of the credit to persons who are imprisoned felons or misdemeanants, or residents at youth correctional facilities, who have been incarcerated for more than six months of the taxable year.

Technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 731, 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. 731, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Iwase and George.
Managers on the part of the Senate.

Representatives Souki, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representatives Alcon and Duldulao did not sign the report.

Conf. Com. Rep. No. 148 on S.B. No. 1045

The purposes of this bill are to require the University of Hawaii to submit an annual salary report to the legislature of all executive and managerial positions, including the president, and to authorize the board of regents to set the president's salary up to a limit of \$95,000 effective July 1, 1996.

Your Committee on Conference has amended this bill to:

- (1) Require that the annual report contain the salaries paid to all executive and managerial employees rather than the salary schedules and include the salaries of all faculty members;
- (2) Authorize the legislature rather than the board of regents to set the president's salary effective July 1, 1996; and
- (3) Delete the \$95,000 cap on the president's salary.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1045, 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. 1045, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Iwase, Mizuguchi and Koki.
Managers on the part of the Senate.

Representatives Ige, D., Metcalf, Souki, Duldulao, Horita, Fukunaga, Taniguchi and Tatibouet.
Managers on the part of the House.

Conf. Com. Rep. No. 149 on S.B. No. 1167

The purpose of this bill is to establish a juvenile justice information system. The statewide system will allow juvenile justice agencies to provide the most effective identification, protection, counseling, rehabilitation, and educational programs that will help juvenile offenders to become law-abiding and productive citizens.

Your Committee has amended this bill by:

- (1) Including provisions that limit the individuals and agencies that shall be allowed access to the information in the system;
- (2) Deleting the reference to chapter 92F, Hawaii Revised Statutes (Uniform Information Practices Act (Modified)), as the means pursuant to which the director of public safety is supposed to report information collected to the system with respect to the youth correctional facilities;
- (3) Requiring the police to report all police designated fields collected on juvenile offenders to the juvenile justice information system; and
- (4) Increasing the appropriation to a one-year appropriation of \$88,710 for fiscal year 1991-1992. Of the amount appropriated, your Committee intends that \$70,992 be used for personnel, \$48,312 for a project coordinator and \$22,680 for a clerk typist, and that \$17,718 be used for operating expenses, specifically \$14,958 to rent necessary office space and \$2,760 to pay for telephone equipment and services.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1167, 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. 1167, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Blair, Hagino and Koki.
Managers on the part of the Senate.

Representatives Metcalf, Souki, Amaral, Arakaki, Bainum, Yonamine and Thielen.
Managers on the part of the House.

Representative Thielen did not sign the report.

Conf. Com. Rep. No. 150 on S.B. No. 1379

The purpose of this bill, as received by your Committee, is to improve the grants, subsidies, and purchases of services provisions to ensure effective decision-making and accountability through the repeal of Chapter 42, Hawaii Revised Statutes (HRS), and the establishment of a new chapter that would:

- (1) Require the agencies to first identify and assess needs for services and then evaluate the most appropriate service delivery system;
- (2) Provide that, if an agency determines that the services can better be addressed through a private provider, the agency is to submit a recommended budget as part of the Executive or Judiciary budget and to advertise for proposals upon appropriation of funds;
- (3) Allow requests for grants and subsidies that are not included in the budget request to be submitted directly to the Legislature;
- (4) Establish an advisory council to assist decision-makers in identifying community-specific priorities in terms of basic services, funding recommendations, and new or expanded services; and
- (5) Authorize state agencies to extend existing grant, subsidy, or purchase of service contracts from a current fiscal biennium into the first three months of the subsequent fiscal year or biennium, provided certain conditions are met.

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

- (1) Revising the number and composition of the Advisory Council (Council) by:
 - (A) Decreasing the total number of members from twenty-one to thirteen members and decreasing the number of members from each county from four to two;
 - (B) Changing the at-large members to members that represent one of the program areas in health, human services, employment, education, and culture and the arts; and
 - (C) Specifying that members from each county shall be persons who represent different community interests;
- (2) Authorizing the Council to investigate and expedite complaints that may involve funding, policy, or procedural decisions made by the agency;
- (3) Specifying that the Council shall submit reports of its findings and recommendations before July 1, and January 1, of each year to coincide and be incorporated within the development of the Executive or Judiciary budget;

- (4) Adding a new section requiring each agency to convene an advisory committee to determine needs in the agency's area of responsibility by, among other things:
 - (A) Conducting comprehensive assessments of the agency's resources and estimated needs of the target groups; and
 - (B) Making recommendations to the agency as to whether or not requests for purchase of service agreements should be funded;
- (5) Requiring each agency to establish, by rules adopted pursuant to Chapter 91, an appeals process to reconsider any recommendations for funding made by the agency;
- (6) Allowing only the providers to be able to extend contracts for one additional period not to exceed ninety days if certain conditions are met;
- (7) Adding new requirements that every recommendation for funding shall state the amounts requested and include an assessment to determine costs of not providing the service;
- (8) Requiring each agency to review each request to determine the efficiency and the effectiveness of the proposal in achieving the objectives of the program;
- (9) Adding a new requirement that annual reports be submitted by the chief executive on all purchase of service agreements funded for the previous fiscal period;
- (10) Defining "advisory council" and "agency advisory committee";
- (11) Requiring, for purchase of service agreements, each agency to establish an employee team to formulate and implement an agency approved monitoring plan; to establish criteria for program evaluation; and to assimilate the monitoring and evaluation manual volume III and systems forms volume IV provided to the State by SMS Research and Arthur Anderson & Co. into its monitoring and evaluation system;
- (12) Clarifying that appropriations for grants, subsidies, and purchases of service made prior to the effective date of this measure shall be subject to the provisions of Chapter 42, HRS, as it existed prior to its repeal; and
- (13) Making technical, nonsubstantive amendments for purposes of style and clarity.

Article VII, Section 4, of the State Constitution requires that public funds shall be used only for public purposes and granted only pursuant to standards established by law. Your Committee finds that this bill meets this constitutional requirement. In addition, this bill establishes the means by which to provide the services in an effective and efficient manner.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1379, 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. 1379, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Levin, Kobayashi, A. and George.
Managers on the part of the Senate.

Representatives Souki, Baker, Kanoho, Say, Yonamine and Marumoto.
Managers on the part of the House.

Representative Marumoto did not sign the report.

Conf. Com. Rep. No. 151 on S.B. No. 2101

The purpose of this bill is to authorize funds for plans, land purchase, design, site preparation, improvements to land, construction and necessary equipment for capital improvement projects. This bill authorizes general obligation bonds in the sum of \$12,549,000 for various projects.

Your Committee finds that this bill will provide appropriations to meet the needs of the State through various capital improvement projects. For purposes of further discussion, your Committee has amended the four unspecified projects to various specified projects and inserted the appropriate amounts specified for each project.

After close scrutiny, your Committee believes that the projects contained herein reflect the legislature's continued support of project which reflect the needs and desires of the people of the State of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. 2101, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. 2101, S.D. 1, H.D. 1, C.D. 1.

Senators Yamasaki, Aki, Hagino, Iwase, Kobayashi, A., Kobayashi, B., Levin, Solomon and George.
Managers on the part of the Senate.

Representatives Souki, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Say, Tajiri, Yonamine Anderson and Marumoto.
Managers on the part of the House.

Representatives Alcon, Duldulao and Marumoto did not sign the report.

Conf. Com. Rep. No. 152 on S.B. No. 2102

The purpose of this bill is to authorize the issuance of general obligation bonds and to declare findings that the total amount of principal and interest, estimated for such bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii, requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this bill by inserting the appropriate amounts provided by the Department of Budget and Finance. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2102, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2102, H.D. 1, C.D. 1.

Senators Yamasaki, Aki, Hagino, Iwase, Kobayashi, A., Kobayashi, B., Levin, Solomon and George.
Managers on the part of the Senate.

Representatives Souki, Say, Alcon, Baker, Chang, Duldulao, Ige, M., Kanoho, Kawakami, Tajiri, Yonamine, Anderson and Marumoto.
Managers on the part of the House.

Representatives Alcon, Duldulao and Marumoto did not sign the report.

Conf. Com. Rep. No. 153 on S.B. No. 1381

The purpose of this bill is to establish a commission for performance standards within the department of education to set the standards of achievement for students in public schools and to provide a means of assessing educational achievement.

Your Committee finds that it is difficult to determine the success or failure of Hawaii's educational system in meeting the central goal of education: students' ability to lead full and productive lives. To ensure that students in Hawaii's public school system are able to master the basic skills and essential competencies necessary to succeed in life, standards of achievement must be established.

Your Committee has amended the bill by:

- (1) Authorizing the commission to hire a maximum of five employees, who shall be exempt from civil service requirements and excluded from collective bargaining as provided by law;
- (2) Outlining the responsibilities of the director to include supporting the activities of the commission and facilitating commission efforts, acting as a liaison between the commission and various organizations, coordinating meetings, writing reports, keeping records, researching information, communicating with local and national experts and organizations, supervising clerical support, and other related duties;
- (3) Appropriating \$230,600 for each year of fiscal biennium 1991-1993; and
- (4) Making several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1381, 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. 1381, S.D. 2, H.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, B., McCartney and George.
Managers on the part of the Senate.

Representatives Tam, Souki, Bunda, Shon, Yonamine and Tatibouet.
Managers on the part of the House.

Representatives Bunda and Tatibouet did not sign the report.

Conf. Com. Rep. No. 154 on S.B. No. 1812

The purpose of this bill is to extend the current suspension of the escalator clause of Hawaii's liquor tax until June 30, 1993.

During the period of the suspension, your Committee hopes that the local industry and the department of taxation can reach an agreement on the terms for elimination of the escalator clause. An element of the agreement would presumably involve an increase in liquor tax rates. Your Committee believes that any increase must take into account the viability of the local industry, its ability to pay increased taxes, the impact of the increases on consumers and consumption, and state revenues.

The department of taxation will propose rate structures for 1993, to be effective at the sunset of this suspension. However, merely replicating the ad valorem tax with a rate structure that will produce equal revenues is not appropriate. Your Committee charges the department of taxation to consider other concerns, such as the effect on consumers, the increase that the marketplace can bear, and subsequent harm to the industry and possible attrition of distributors.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1812, 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. 1812, S.D. 1, H.D. 2, C.D. 1.

Senators Yamasaki, Kobayashi, A., and George.
Managers on the part of the Senate.

Representatives Hirono, Souki, Arakaki, Morihara, Say, Yoshimura and Anderson.
Managers on the part of the House.

Representative Morihara did not sign the report.

Conf. Com. Rep. No. 155 on S.C.R. No. 1

The purpose of this Concurrent Resolution is to request the Governor to initiate discussions relating to the establishment of cooperative associations among Pacific island states, territories, and nations.

Upon further consideration, your Committee has amended this Concurrent Resolution by clarifying that, while many Pacific states have expressed interest in such collaborative efforts, the State of Pohnpei, as the national capitol of the Federated States of Micronesia, offers communication and logistical advantages which would facilitate a more extensive dialogue with other Pacific island states. It would therefore be best to initiate discussions with the Governor of the State of Pohnpei, as an appropriate beginning point for further discussions with the other Pacific states, territories, and nations.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 1, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Adoption in the form attached hereto as S.C.R. No. 1, S.D. 1, H.D. 1, C.D. 1.

Senators Chang, Hagino and Reed.
Managers on the part of the Senate.

Senator Reed did not sign the report.

Representatives Ihara Jr., Takamine, Taniguchi, Yonamine and Ward.
Managers on the part of the House.

Representatives Takamine and Taniguchi did not sign the report.

STANDING COMMITTEE REPORTS

SCRep. 1 Employment and Public Institutions on H.C.R. No. 2

The purpose of this concurrent resolution is to declare unwavering support for our men and women engaged in the Persian Gulf conflict and their families.

War is a terrible consequence of unsuccessful diplomacy, but despite conflicting opinions regarding the need and propriety of the recent intervention, your Committee is confident that America's fighting men and women and her allies will prevail. In the meantime, our prayers are with the courageous and steadfast members of the Army, Navy, Air Force, and Marine Corps who stand willing to make the supreme sacrifice.

Your Committee has amended this concurrent resolution by clarifying, in the title and the BE IT RESOLVED clause, that the support is being offered by the entire legislature. Your Committee has also made nonsubstantive language changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of H.C.R. No. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 2 Ways and Means on H.B. No. 1

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1992, and also for the expenses of the legislative support agencies during the 1991-1992 fiscal year.

Your Committee has provided the following specific appropriations:

SENATE AND HOUSE OF REPRESENTATIVES

Your Committee approves the sum of \$4,488,279 for the Senate and the sum of \$5,854,919 for the House of Representatives. Your Committee finds that the amounts are necessary to meet operating costs of the Legislature covering such items as equipment, supplies, staff services, and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$2,417,190 to meet the basic operating budget of the Office of the Legislative Auditor. The amount includes funds for special studies and other purposes to be jointly determined by the President of the Senate and the Speaker of the House of Representatives.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,953,325 for the Legislative Reference Bureau.

OMBUDSMAN

Your Committee approves the appropriation of \$673,226 for the Office of the Ombudsman.

LEGISLATIVE INFORMATION SYSTEM

Your Committee approves the appropriation of \$500,000 to the Senate and \$500,000 to the House of Representatives for the purpose of defraying the expenses of the legislative information system, nicknamed "SHADO". Your Committee finds that these amounts are necessary to meet equipment, consultant, supplies and other related expenses.

RELOCATION OF THE LEGISLATURE

Your Committee approves the sum of \$650,000 for the Senate and the sum of \$650,000 for the House of Representatives to defray unanticipated costs associated with the relocation of the Legislature to its new temporary building.

GENERAL FUND EXPENDITURE CEILING

Your Committee finds that the appropriations contained in the bill will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$12,643,198, or 0.49 percent, and further finds that such expenditure is necessary to serve the public interest and to comply with constitutional and statutory provisions.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse on June 30, 1992.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Aki.

SCRep. 3 Judiciary on S.B. No. 100

The purpose of this bill is to make the Center for Arbitration Resolution a permanent part of the Judiciary.

Your Committee received favorable testimony in support of this bill from Associate Justice of the Supreme Court Ronald Moon.

Your Committee concurs with the testimony that the Center for Arbitration Resolution has an admirable track record of resolving public interest cases and cases referred by government agencies, through mediation arbitration and fact-finding, and assisting the Judiciary in developing alternatives to litigation. Your Committee finds that the Center has earned a permanent place in state government.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 100 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 4 Judiciary on S.B. No. 124

The purpose of this bill is to repeal a statute that authorizes counties to create an office of public defender.

The Committee finds that section 46-3, Hawaii Revised Statutes has become obsolete since the enactment of Chapter 802, Hawaii Revised Statutes, which created a statewide office of the public defender, and therefore finds that the statute should be removed from the books.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 124 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Koki.

SCRep. 5 Judiciary on S.B. No. 135

The purpose of this bill is to repeal Section 601-14, Hawaii Revised Statutes, which prohibits writs of ne exeat.

The writ of ne exeat regno, under the practice of the English courts, was a writ to restrain a person from leaving the Kingdom. In American practice, the writ was known as ne exeat republica. It was an equitable writ used in civil cases when a defendant was about to leave the state with intent to evade the jurisdiction of the court. The writ of ne exeat restrained the defendant until the defendant posted equitable bail or security to abide by a decree of the court.

In Oahu Lumber & Building Co., Ltd., v. C. Ding Sing 15 Hawaii 412 (1904), the Hawaii Supreme Court held that the writ of *capias ad respondendum* was abolished by Section 7 of the Organic Act's prohibition on the "arrest of debtors". In dicta, the court noted "that no distinction should be made between the two classes of writs or proceedings whether called ne exeat or *capias ad respondendum*." Thus, the enactment of the prohibition on writs of ne exeat in 1915 merely affirmed the judicial pronouncement of the demise of these writs.

Your Committee specifically finds that the intention of the bill is not to revive writs of ne exeat but to remove an unnecessary and antiquated statute from the Hawaii Revised Statutes. As with other writs, the Hawaii Supreme Court may adopt rules governing the use or non-use of writs of ne exeat if it deems it necessary.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 135 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Koki.

SCRep. 6 Judiciary on S.B. No. 83

The purpose of this bill is to prevent defendants from removing cases from small claims court without the consent of the plaintiff.

S.B. No. 83 is similar to H.B. No. 256 introduced in 1989, as amended in conference committee, with the following changes:

(1) The insertion of codified language that the bill will not abrogate or supersede statutory provisions regarding the jurisdiction of the small claims court, the filing of counterclaims in small claims cases, and the exercise of the right to jury trial. The purpose of this language is to expressly address the concerns set forth by the Governor in his Statement of Objections to H.B. No. 256; and

(2) The addition of language limiting the effect of this bill to small claims filed after December 31, 1991, so as not to affect any rights and duties matured, penalties incurred, and proceedings begun before its effective date.

Your Committee received favorable testimony in support of the bill from the Judiciary, Hawaii Independent Condominium & Cooperative Owners, and the Hawaii State Bar Association.

Your Committee finds that the bill is necessary to keep small claims in small claims court for disposition in an informal and inexpensive manner.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 83 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 7 Judiciary on S.B. No. 125

The purpose of this bill is to streamline administration of court fees and costs.

The Judiciary and the Hawaii State Bar Association submitted testimony in support of the bill.

Your Committee finds that the multitude of small fees and costs presently charged by the courts presents a burdensome and inefficient practice for both the parties involved and the Judiciary. Increasing certain basic fees and eliminating smaller ones will reduce the bookkeeping workload, thereby enabling the Judiciary to direct its staff and resources to more pressing concerns.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 125 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 8 Executive Appointments on Gov. Msg. No. 55

Recommending that the Senate consent to the nomination of VIRGINIA LEA CRANDALL for Judge of the Circuit Court of the First Circuit, for a term of ten years in accordance with the provisions of Article VI, Section 3, of the Constitution of the State of Hawaii.

Signed by all members of the Committee

SCRep. 9 Culture, Arts and Historic Preservation on S.B. No. 10

The purpose of this bill is to appropriate funds to manage and preserve the hula platform at Ke'e, Kauai through the State Historic Preservation Division.

Your Committee finds that proper management of this site is necessary to ensure privacy in ceremonies while maintaining free access to the public.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 10 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 10 Culture, Arts and Historic Preservation on S.B. No. 308

The purpose of this bill is to amend Section 6E-3, Hawaii Revised Statutes to include the use of the state inventory of sites in addition to the Hawaii Register of Historic Places in the development of a comprehensive historic preservation program.

Your Committee heard testimony from representatives of the department of land and natural resources and the Office of Hawaiian Affairs in support of this bill and agrees that the bill will provide quick reference to all available information and will serve as a valuable research tool.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 308 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 11 Culture, Arts and Historic Preservation on S.B. No. 413

The purpose of this bill is to appropriate \$84,750 for FY1991-1992 and \$87,040 for FY1992-1993 for administration and the promotion of exhibitions, events and programs of Very Special Arts Hawaii.

Your Committee finds that the programs of Very Special Arts Hawaii are needed to promote culture and the arts, and history and the humanities for individuals with physical, intellectual or emotional handicaps.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 413 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 12 Culture, Arts and Historic Preservation on S.B. No. 412

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$200,000 and to appropriate that amount to be expended by the department of land and natural resources for the construction of special facilities at Mauna 'Ala to serve as a repository for remains now located at the Bishop Museum.

Your Committee heard testimony in support of the bill from representatives of the Office of Hawaiian Affairs and the department of land and natural resources.

Your Committee has amended the bill by substituting the department of land and natural resources for the department of accounting and general services as the expending agency.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 412, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 13 Culture, Arts and Historic Preservation on S.B. No. 415

The purpose of this bill is to appropriate \$100,000 for each of fiscal years 1991-92 and 1992-93 to be expended by the Office of Hawaiian Affairs to encourage and enhance efforts to assure culturally appropriate treatment of Native Hawaiian ancestral bones, associated burial goods and sacred objects.

Your Committee finds that the inventory, deaccession and proper treatment of these remains are necessary for their repatriation and the implementation of cultural patrimony.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 415 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 14 Culture, Arts and Historic Preservation on S.B. No. 546

The purpose of this bill is to appropriate \$37,000 for fiscal year 1991-1992 and \$40,000 for fiscal year 1992-1993 to be expended by the State Foundation on Culture and the Arts to continue funding of a construction coordinator position for the Hawaii's Plantation Village Project.

Your Committee finds that the project cost is now expected to exceed the original estimate and that additional funds are needed to ensure the continuation of the critical position of construction coordinator.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 546 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 15 Culture, Arts and Historic Preservation on S.B. No. 714

The purpose of this bill is to appropriate \$150,000 for fiscal year 1992-1993 for the planning and design of a repository at Mauna 'Ala for the repatriation of two deified ancestors traditionally known as Lonoikamakahiki and Umi.

Your Committee finds that the cultural and historical significance of this project is undisputed.

Your Committee has amended the bill by changing the composition of the nine member committee for planning and design to provide three members representing the island burial councils without limitation to the Oahu Burial Council.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 16 Culture, Arts and Historic Preservation on S.B. No. 735

The purpose of this bill is to appropriate additional funds for the department of land and natural resources to continue the restoration and renovation of the Waikiki Natatorium as a living memorial to Hawaii residents who perished in World War I.

Your Committee finds that the natatorium is an integral part of the State's aquatic history and its historical and cultural significance is established by the fact of its listing in the Hawaii register of historic places.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 735 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 17 Housing and Hawaiian Programs on S.B. No. 1382

The purpose of this bill is to provide facilities primarily for homeless families who are in need of emergency or transitional shelter. The program envisions a network of "provider agencies" to furnish labor, services and facilities pursuant to contracts with the director of human services. To this end, the bill makes numerous amendments to existing statutes.

These amendments are designed to accommodate enactments for the benefit of housing facilities for the homeless by making necessary or desirable changes in the wording of sections 46-1.5, 171-43.1, 237-23, 346-152, 467-2, 480-11, 521-7, 521-8, 521-69.5, and 663-1.5.

Your committee heard testimony in support of this bill by representatives of the department of human services; the American Association of Retired Persons; the Hawaii Ecumenical Housing Corporation; Homeless Aloha Inc.; Governor's Committee on Aids; Homeless Ohana Association of Hawaii and other interested organizations.

Your committee amended this bill as follows:

1. By adding the word "firm" to the definition of "donor."
2. By adding the clause "after they apply for the shelter or other program assistance" at the end of section -9.
3. By substituting the word "transitional" for the word "temporary" in section -13.
4. By amending section -14, to clarify the duties of the independent audit agency.
5. By making several non-substantive amendments for the purposes of clarity and style.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. 1382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 1382, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 18 Housing and Hawaiian Programs on S.B. No. 1383

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, by adding a new section to create a homeless shelter stipend program payable to provider agencies on behalf of homeless families.

Your Committee finds that the search for more effective means of meeting the needs of housing for the homeless is an unending task and that the concept of "homeless shelter stipends" has merit.

Your Committee received testimony in support of the bill from the department of human services, the American Association of Retired Persons, and the Hawaii Ecumenical Housing Corporation.

Your Committee has amended the bill by amending subsections (d) and (e) to allow provider agencies to enter into subcontracts with non-profit agencies to provide outreach programs to the unsheltered homeless and to establish savings accounts to be made available to homeless families after they vacate the shelter.

Your Committee has further amended the bill to include appropriation measures and to authorize the issuance of general obligation bonds for construction and operation of housing for the homeless.

Your Committee has also made technical changes in conformity with recommended drafting style.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1383, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 19 Employment and Public Institutions on S.B. No. 1235

The purpose of this bill is to fund cost items currently being negotiated for fiscal biennium 1991-1993 between the State and collective bargaining unit (4), representing supervisory white collar employees in the executive and judicial branches of government.

Your Committee finds that negotiations with bargaining unit (4) are nearing completion and expects that the final agreement will equitably serve the needs of the affected employees, their families and dependents, and the State. In the meantime, to express its encouragement and support of all concerned, your Committee has amended this bill by inserting the figure of \$1 for each funding source. Your Committee is confident that the parties will come to agreement in time for the legislature to appropriate the actual amounts necessary to fund the cost items under negotiation.

Your Committee has also amended this bill by making some nonsubstantive technical amendments for the purposes of style and clarity.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 20 Employment and Public Institutions on S.B. No. 1236

The purpose of this bill is to fund cost items currently being negotiated for fiscal biennium 1991-1993 between the State and collective bargaining unit (3), representing nonsupervisory white collar employees in the executive and judicial branches of the state government.

Your Committee finds that negotiations with bargaining unit (3) are nearing completion and expects that the final agreement will equitably serve the needs of the affected employees, their families and dependents, and the State. In the meantime, to express its encouragement and support of all concerned, your Committee has amended this bill by inserting the figure of \$1 for each funding source. Your Committee is confident that the parties will come to agreement in time for the legislature to appropriate the actual amounts necessary to fund the cost items under negotiation.

Your Committee has also amended this bill by making some nonsubstantive technical amendments for the purposes of style and clarity.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1236, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 21 Employment and Public Institutions on S.B. No. 1237

The purpose of this bill is to fund salary increases and other cost adjustments for fiscal biennium 1991-1993 for public employees in the executive and judicial branches of government, and the legislative agencies, who are excluded from collective bargaining.

The State is currently negotiating with bargaining units (3) and (4) representing supervisory and nonsupervisory white collar employees in the executive branch and the judiciary. This bill is necessary to ensure that employees in those branches, as well as the legislative agencies, who are not represented at the bargaining table but who nonetheless perform important services in the public interest, and whose remuneration has historically been tied to that of their union counterparts, shall also be suitably compensated. Therefore, to express its encouragement and support for all concerned, your Committee has amended this bill by inserting the figure of \$1 for each funding source. Your Committee is confident that agreement with bargaining units (3) and (4) will be reached in time for the legislature to appropriate the actual amounts necessary to fund the anticipated salary increases and other cost adjustments for these excluded workers.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1237, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 22 Employment and Public Institutions on S.B. No. 1320

The purpose of this bill is to correct statutory references to sections of the Insurance Code contained in section 383-153 of the Workers' Compensation Law, Hawaii Revised Statutes.

The Insurance Code, chapter 431, Hawaii Revised Statutes, was recodified pursuant to Act 347, Session Laws of Hawaii 1987, effective July 1, 1988. Some statutory references in chapters other than 431 were inadvertently omitted from the recodification, and subsequent legislatures sought to rectify these oversights. However, the references to section 431-318(a) and section 431-318, as they currently appear in section 383-153, were not amended to read section 431:7-202(a) and section 431:7-202, respectively, as they appear in the recodification. This bill makes this technical amendment without making any substantive changes to either the Insurance Code or the Workers' Compensation Law.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1320 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 23 Employment and Public Institutions on S.B. No. 1322

The purpose of this bill is to clarify that the deputy executive director of the Civil Rights Commission is exempt from chapters 76 and 77, Hawaii Revised Statutes.

Your Committee finds that the Commission's executive director, as well as its attorneys and hearing officers are civil service exempt, and it is appropriate for the deputy executive director to serve on the same basis. The omission of reference to the deputy executive director from section 386-3(8), Hawaii Revised Statutes, was a technical oversight.

Your Committee has amended this bill by making several technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1322, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 24 Judiciary on S.B. No. 713

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes to correct errors, update references, clarify language or delete obsolete or unnecessary provisions. All amendments are of a purely technical nature and contains no substantive changes to the law.

The reasons for amending the sections are as follows:

Section 1 amends section 26-18, Hawaii Revised Statutes, to add the word "authority" to "natural energy laboratory of Hawaii".

Section 2 amends section 103-3, Hawaii Revised Statutes, to delete reference to the Hawaii criminal justice commission, the responsibilities, functions and staff of which have been transferred to the department of the attorney general.

Section 3 amends section 353D-4, Hawaii Revised Statutes, to update the title of director of corrections to director of public safety.

Section 4 deletes section 475-5(11), which gives the office of consumer protection the power to adopt administrative rules to implement a chapter of the Hawaii Revised Statutes that has since been repealed.

Section 5 amends Act 40, Session Laws of Hawaii 1990, to clarify prefatory language.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No 713 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Reed.

SCRep. 25 Judiciary on S.B. No. 1167

The purpose of this bill is to establish an information system that will collect, analyze and disseminate juvenile offender information to assist juvenile justice agencies. The bill also amends various sections of the Hawaii Revised Statutes to require compliance with the procedures of the juvenile justice information system.

Your Committee received testimony in support of the bill from the Judiciary, the Department of the Attorney General, the Juvenile Justice Interagency Board, the Juvenile Justice Information System Task Force, the Family Court of the Fifth Circuit, the Board of Senior Family Court Judges, the Department of Public Safety, the Hawaii, Maui and Kauai county prosecutors, and the Hawaii, Maui and Honolulu county police departments.

Your Committee finds that the establishment of a statewide juvenile justice information system will not only streamline the processing of juveniles in the criminal justice system, but will also promote better cooperation and coordination among the agencies involved in the treatment and rehabilitation of these offenders.

Your Committee amends the bill to permit access to information by a minor's guardian ad litem as proposed by the Judiciary. Your Committee also incorporates proposed amendments by the Department of the Attorney General for clarity.

Your Committee strongly supports the intent and purpose of S.B. No. 1167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1167, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Cobb, McMurdo, Koki and Reed.

SCRep. 26 Science, Technology and Economic Development on S.B. No. 1001

The purpose of this bill is to amend the laws of the State relating to science and technology.

Your Committee has amended this short form bill by inserting substantive material which will appropriate out of the general revenues of the State of Hawaii funds for the state to participate in a project to develop new wind energy devices and designs to maximize wind energy production.

Your Committee finds that Hawaii's wind energy resources have been developed by the installation of windfarms or wind generators at various locations in the State. The largest wind energy development in the State is the windfarm at Kahuku on the island of Oahu operated by Hawaiian Electric Renewable Energy Resources Company, Inc. However, this windfarm, as well as others in the continental United States, have not been financially successful. A group of companies are joining in a project to maximize wind energy production at lower wind speeds, consistent with Hawaii's trade winds. The higher energy production will enhance the economic feasibility of wind energy, and if successful, the new design utilized in this project can be commercialized for application to other windfarms. This project is expected to cost \$1,400,000 with including matching funds from the U.S. Department of Energy. However, there is a shortage in the total funds required in the amount of \$200,000. The State can take an equity position in the project whereby there is sharing of the financial rewards.

Your Committee has amended the bill to provide funds in the amount of \$200,000 for the State to participate in this project. The Department of Business, Economic Development, and Tourism is directed to develop the equity arrangement such that the State receives its proportionate share of the financial rewards, if any, that accrue from this project. The

State funding is contingent on the receipt of the matching funds from the U.S. Department of Energy and the ability of the group of companies to fund the remainder of the necessary funds.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1001, S.D. 1, and be recommitted to the Committee on Science, Technology and Economic Development for further consideration.

Signed by all members of the Committee.

SCRep. 27 Science, Technology and Economic Development on S.B. No. 1006

The purpose of this short form bill is to amend the laws of the State relating to telecommunications.

Your Committee has amended this short form bill by inserting substantive material which will eliminate the cumulative taxation of carrier access services in the telecommunications industry.

Your Committee finds that there is cumulative taxation in the telecommunication industry with the general excise tax and the public service company tax. Cumulative taxation results in increased costs to Hawaii residents, as well as increased cost to Hawaii businesses relative to other states, regional areas, and neighboring Pacific Rim countries. Higher telecommunication costs will place Hawaii at a competitive disadvantage for attracting and retaining clean and environmentally sound industry and will stifle economic development. A fair tax policy for the telecommunications industry will promote competitive pricing of telecommunications services, and thus enhance Hawaii's infrastructure as high technology industries are developed.

Your Committee has amended the bill by adding material that amends sections 237-3, 237-13 and 239-2, Hawaii Revised Statutes. Both the General Excise Tax Law and the Public Service Company Tax Law are amended to provide an exemption to gross income for carrier access services and others making intermediary purchases to the extent that the service is transferred to the end user as part of the final product of services upon sale.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1006, S.D. 1, and be recommitted to the Committee on Science, Technology and Economic Development for further consideration.

Signed by all members of the Committee.

SCRep. 28 Science, Technology and Economic Development on S.B. No. 1524

The purpose of this bill is to appropriate funds to the Department of Transportation to establish a ride-sharing system.

Your Committee has amended this bill by deleting its contents and inserting substantive material which will require the installation and use of restricted water flow devices and fixtures in all new construction projects permitted after July 1, 1993. The counties are required to amend their respective building codes to require restricted water flow devices and fixtures with specific standards with respect to the water discharge rate.

Your Committee finds that a significant amount of energy is consumed to heat water for domestic and other uses which can be conserved through the use of restricted water flow devices and fixtures for showers and faucets. The use of these devices and fixtures will also address the concerns for an adequate supply of fresh water in Hawaii. The restricted water flow devices and fixtures conserve energy and water with little perceived change in water.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1524, S.D. 1, and be recommitted to the Committee on Science, Technology and Economic Development for further consideration.

Signed by all members of the Committee.

SCRep. 29 Science, Technology and Economic Development on S.B. No. 1832

The purpose of the short form bill is to amend the laws of the State relating to energy. Your Committee has amended this short form bill by inserting substantive material which will appropriate out of the general revenues of the State of Hawaii funds for the State to participate in a project to construct a closed cycle ocean thermal energy conversion (OTEC) plant at Keahole on the island of Hawaii. The change was made to accept the recommendation of Department of Business and Economic Development as the expending agency, and not the Pacific International Center for high technology.

Your Committee finds that developments of ocean thermal energy conversion (OTEC) technology represent an opportunity for clean, renewable energy for Hawaii. With Hawaii's ocean resources, OTEC may be an attractive commercial solution to the energy and economic development needs of the state. There is a proposed project to construct a precommercial OTEC plant, which is successful, will establish Hawaii as a world leader in the field and offers potential rewards through the commercialization of the technology. This bill provides the incentive for other potential funding agencies to invest in the design and construction of a precommercial OTEC plant that can serve as a showcase for all interested parties. The project will be executed by a group of companies who will partially fund the project. The State can take an equity position in the project whereby there is sharing of the financial rewards.

Your Committee has amended the bill to provide funds in the amount of \$500,000 for the State to participate in this project with Hawaiian Electric Industries, Alcan, GEC and Maconey. The department of business, economic development, and tourism is directed to develop the equity arrangement such that the State receives its proportionate share of the financial rewards, if any, that accrue from this project.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1832, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 30 Health and Human Services on S.B. No. 29

The purpose of this bill is to create a smoking health fund for public education on the harmful effects of smoking, to be funded by twenty percent of the tobacco taxes collected. The bill increases the license fee for wholesalers and dealers from \$2.50 to \$25.00 and increases the excise tax rate from forty to fifty percent of the wholesale price of each item sold.

Your Committee received testimony in support of this bill from the Department of Health, the American Cancer Society, American Lung Association, the American Heart Association, and the Hawaii Medical Association.

Upon further consideration, your Committee has amended the bill by removing the provisions relating to a special fund. While the goal of providing funding for education about the dangers of smoking is important, your Committee finds that designating a special fund causes special problems. A preferable method of funding is directly from the Legislature. In deleting the provisions for the special fund, it is not your Committee's intent to reduce the amount of funding for public education but to simply change the source of the funding.

Your Committee has further amended the bill by requiring the Department of Taxation to report to the legislature yearly detailing the amount of funds collected which are attributable to the tobacco tax. This report will inform the legislature of the amount of funding available for anti-smoking and preventive health education programs.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 29, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 29, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 31 Health and Human Services on S.B. No. 84

The purpose of this bill is to create a durable power of attorney for health care which allows the agent to make any lawful health care decision that could have been made by a competent principal at the time of election.

Current law provides for a general durable power of attorney but not specifically for health care decisions. This produces a great deal of confusion about who should make health care decisions for a person who is incompetent to do so for themselves. If a living will exists, this can give guidance, but if there is none, health care providers vary in their responses to the existence of a durable power of attorney for health care, and weigh statements made by family, clergy, and friends with vastly differing results. By specifying that a durable power of attorney can be used for health care decisions, this confusion will be removed.

Your Committee received testimony from the National Association of Social Workers, Life Foundation, the Association of Retired Persons, Hawaii Medical Association, the Founder's Group of the Kokua Council for Senior Citizens, the Department of Health, the American Civil Liberties Union of Hawaii, Hawaii Long Term Care Association, and the Governor's Committee on AIDS all in support of this measure.

Your Committee on Health and Human Services is in accord with the intent and purpose of S. B. No. 84 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 32 Health and Human Services on S.B. No. 372

The purpose of this bill is to continue the family center project for another year and emphasize the importance of literacy programs for the centers. The bill increases the number of family centers and provides additional appropriations for this project.

Your Committee received testimony in favor of this measure from the Department of Human Services, the Office of Children and Youth, the Governor's Family Center Advisory Council, and many other family support organizations and individuals.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 372 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 33 Health and Human Services on S.B. No. 401

The purpose of this bill is to expand the Open Doors tuition subsidies to help a minimum of 1500 children from ages three to five by 1993. The project currently provides assistance to 600 children.

Young families with young children often find it impossible to pay for early childhood education and care services. Often both parents work and such care is essential. Without some kind of aid, these children will lack opportunities necessary for healthy development at a time when such opportunities are of enormous importance.

This bill, combined with S.B. No. 402, will link and coordinate preschool early childhood services with two other family-centered programs, Healthy Start and Families for R.E.A.L. Expansion of the Open Doors project is one component in the development of a system of care and support for Hawaii's families with young children.

Your Committee received testimony in favor of this measure from the Office of Children and Youth and many organizations involved with early childhood education.

Upon further consideration, your Committee has amended the bill to designate the Office of Children and Youth as the expending agency.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 401, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 34 Health and Human Services on S.B. No. 402

The purpose of this bill is to appropriate funds to continue two family-centered programs, Healthy Start and Families for R.E.A.L. (Resources and Early Access to Learning).

These programs provide aid to young families with children in the areas of parent education and early childhood care and education. These programs, combined with the Open Doors project addressed by S.B. No. 401, will link and coordinate preschool and early childhood services.

Your Committee received testimony in support of this bill from the Office of Children and Youth and many organizations and individuals involved in early childhood training.

Upon further consideration, your Committee has amended the bill by designating the Office of Children and Youth as the expending agency.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 402, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 35 Health and Human Services on S.B. No. 420

The purpose of this bill is to ensure that a full range of medical services remains available to Hawaii's Medicaid patients.

The bill increases the reimbursement rate for medical practitioners who care for Medicaid patients from fifty-six to sixty-five percent, and appropriates funds to be expended by the Department of Human Services in fiscal year 1991-1992 to cover the cost of the reimbursement rate increase.

Section 346-59(b), Hawaii Revised Statutes, provides that Medicaid rates of payment to individual medical practitioners shall be based upon the most current profile available of customary fees enuring to such practitioners. The current rate of fifty-six percent, according to many practitioners, is so low that they cannot continue treating Medicaid patients and meet their own expenses. This problem is exacerbated in areas of the State in which medical care is generally unavailable.

Your Committee heard supporting testimony from a wide range of medical groups including the Hawaii Medical Association, the Hawaii Public Health Association, the Hawaii Dental Association, the Hawaii Federation of Physicians and Dentists, the Mental Health Association in Hawaii, and the Hemophilia Foundation of Hawaii, and finds that it is an obligation of the State to ensure that medical care is available through the Medicaid Program to Hawaii's residents who are unable to afford private or insured medical services. Your Committee further finds that an increase in the reimbursement rate for practitioners who serve Medicaid patients is necessary if the State is to appropriately discharge its obligation and enable medical practitioners to continue serving Medicaid patients.

Your Committee has amended this bill by changing the statutory reference on page one, line 18, to read "section 346-59", the section in the Hawaii Revised Statutes wherein authority to alter the reimbursement rate is provided. Your Committee has also made some nonsubstantive language changes for the purposes of clarity and style.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 420, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 36 Culture, Arts and Historic Preservation on S.B. No. 868

The purpose of this bill is to acknowledge and commemorate the fall of the Hawaiian monarchy by an annual ceremony to be planned and conducted by a committee convened for that purpose. An appropriation to be expended by the Office of Hawaiian Affairs of \$2,500 for each fiscal year, 1991-1992 and 1992-1993 is included in the bill.

Your Committee finds that a commemoration as defined in the bill is fitting and proper and has amended the bill to place the Office of Hawaiian Affairs in charge of the program rather than the Department of Accounting and General Services.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 868, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 37 Culture, Arts and Historic Preservation on S.B. No. 1158

The purpose of this bill is to appropriate \$260,000 to be expended by the Department of Accounting and General Services to continue the planning and design of the State History Center or Museum.

Your Committee finds that a Center is needed to explore and celebrate the history and culture of Hawaii.

Your Committee has amended the bill to redesignate the fiscal year referred to in SECTION 2 as fiscal year 1991-1992 instead of fiscal year 1991-1993.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1158, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 38 Culture, Arts and Historic Preservation on S.B. No. 1462

The purpose of this bill is to appropriate \$50,000 for fiscal year 1991-1992 and \$50,000 for fiscal year 1992-1993 to be expended by the department of education to continue the moving image preservation project.

Your Committee finds that film, video material and moving images are important forms of historical records and should be given adequate protection and preservation.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1462 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 39 Culture, Arts and Historic Preservation on S.B. No. 1668

The purpose of this bill is to make an appropriation for fiscal year 1991-1992 to be expended by the University of Hawaii and the State Foundation on Culture and the Arts to develop a pilot performing art series bringing international film, drama, music, literary and other performing arts to children.

Your Committee finds that there is a need to promote increased public access to artistic and cultural programs available to children.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1668 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 40 Health and Human Services on S.B. No. 373

The purpose of this bill is to appropriate funds for the continued operation of the Architectural Access Committee.

Established in 1989, the Architectural Access Committee has the authority to issue variances to the design specifications of the Uniform Federal Accessibility Standards, and also develops accessibility standards for persons with disabilities that exceed the federal standards.

Currently, the Architectural Access Committee has funding for one professional staff person to coordinate public hearings for variances, research new design standards, and conduct public education and training workshops related to architectural accessibility. However, no provisions have been made in the Committee's operating budget for clerical support and operational expenses for the 1991-1993 fiscal biennium.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 373 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 41 Culture, Arts and Historic Preservation on S.B. No. 12

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Department of Accounting and General Services to complete the construction of the Pearl City Performing Arts Center.

Your Committee finds that the Pearl City Performing Arts Center will serve a major contribution to the cultural growth of students in the Leeward and Central school districts and provide an opportunity for the youth of these areas to perform in drama and music programs.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 12 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 42 Culture, Arts and Historic Preservation on S.B. No. 1549

The purpose of this bill is to appropriate \$140,000 for fiscal year 1991-1992 to be expended by the Department of Land and Natural Resources for a pilot demonstration project to erect historical structures and to assess the value of such structures in the resurrection of important Hawaiian names and areas of historical significance.

Your Committee finds that the State's economy is based in large measure on the tourist industry and that the unique Hawaiian names of historical areas and structures are a substantial attraction for visitors to Hawaii.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1549 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 43 Culture, Arts and Historic Preservation on S.B. No. 1801

The purpose of this bill is to appropriate \$100,000 for fiscal year 1991-1992 and \$100,000 for fiscal year 1992-1993 to be expended by the Department of Business, Economic Development, and Tourism to continue the Hawaii International Film Festival outreach program.

Your Committee finds that the Hawaii International Film Festival has successfully reached diverse populations throughout the State and has promoted culturally significant films to further a better understanding among the people of Asia, the Pacific and the United States.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1801 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 44 Culture, Arts and Historic Preservation on S.B. No. 2131

The purpose of this bill is to appropriate \$236,610 for fiscal year 1991-1992 to be expended by the State Foundation on Culture and the Arts in the production of a film on the history and culture of Americans of Japanese ancestry in Hawaii.

Your Committee finds that the national public knowledge and understanding of the extensive contributions to Hawaiian society made by Americans of Japanese ancestry is extremely limited. Through this film, a better understanding and appreciation for America's multi-ethnic and cultural diversity can be attained.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 2131 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 45 Housing and Hawaiian Programs on S.B. No. 976

The purpose of this bill is to amend the laws of the State relating to the Housing Finance and Development Corporation.

Your Committee has amended this short form bill by inserting substantive material designed to encourage the private sector to develop lower income housing.

Specifically, the bill as amended:

1. Provides assistance to private developers of projects if twenty percent of the units are reserved for lower income tenants;
2. Describes assistance as making plans and specifications and material and equipment available to qualified developers without charge; and
3. Authorizes funding by appropriation and from the rental housing revolving fund.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 976, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 46 Housing and Hawaiian Programs on S.B. No. 978

The purpose of this bill is to amend the laws of the State relating to Hawaiian home lands.

Your Committee has amended this short form bill by inserting substantive material which will require an appraisal in the event public land is disposed of and the department of Hawaiian home lands or the office of Hawaiian affairs is to receive payment of revenue entitlements.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 978, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 47 Transportation and Intergovernmental Relations on S.B. No. 592

The purpose of this bill is to exempt county mass transit operators from the state general excise tax.

Your Committee has amended this bill by deleting its substance and substituting provisions which would set aside a portion of fuel tax revenues collected under Chapters 243 and 248 for deposit in a new Hawaii No-Fault Insurance Fund. The fund would be administered by a five member board appointed by the Governor and used to provide no-fault coverage to the people of this State on a basis competitive with private no-fault carriers.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 592, S.D. 1, and be recommitted to the Committee on Transportation and Intergovernmental Relations for further consideration.

Signed by all members of the Committee except Senators Cobb and Blair.

SCRep. 48 Transportation and Intergovernmental Relations on S.B. No. 1022

The purpose of this bill is to amend the laws of the State relating to highways.

Your Committee has amended this short form bill by inserting substantive material which will appropriate \$10,000,000 to widen Farrington Highway.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1022, S.D. 1, and be recommitted to the Committee on Transportation and Intergovernmental Relations for further consideration.

Signed by all members of the Committee except Senators Cobb and Blair.

LCRep. 49 Executive Appointments on Gov. Msg. No. 62

Recommending that the Senate advise and consent to the nomination of HOALIKU L. DRAKE for Chairman, Hawaiian Homes Commission, term to expire December 31, 1994.

Signed by all members of the Committee.

SCRep. 50 Agriculture and Environmental Protection on S.B. No. 255

The purpose of this bill is to allow the court to award cost of action to the prevailing party in any action to protect an endangered or threatened species.

Your Committee has amended this bill by adding a new section which details under what circumstances an incidental taking permit may be issued.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 255, S.D. 1, and be recommitted to the Committee on Agriculture and Environmental Protection for further consideration.

Signed by all members of the Committee except Senator Levin.

SCRep. 51 Agriculture and Environmental Protection on S.B. No. 924

The purpose of this bill is to amend the laws of the State relating to agriculture.

Your Committee has amended this short form bill by inserting substantive material that will provide various appropriations for agricultural programs.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 924, S.D. 1, and be recommitted to the Committee on Agriculture and Environmental Protection for further consideration.

Signed by all members of the Committee except Senator Levin.

SCRep. 52 Agriculture and Environmental Protection on S.B. No. 1962

The purpose of this bill is to amend the laws of the State relating to hazardous waste.

Your Committee has amended this bill by deleting the contents and substituting substantive material which will amend the state requirements so that they are similar enough to the federal requirements to allow the State to monitor and enforce the hazardous waste laws.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1962, S.D. 1, and be recommitted to the Committee on Agriculture and Environmental Protection for further consideration.

Signed by all members of the Committee except Senator Levin.

SCRep. 53 Health and Human Services on S.B. No. 246

The purpose of this bill is to require persons who are liable for payment for expenses for psychiatric care in state facilities to make reasonable efforts to utilize private insurance, Medicare, or Medicaid benefits to offset the costs.

Currently, because of the involuntary nature of some emergency examinations and hospitalizations collection of the costs of psychiatric services has been a problem. This bill will encourage use of third party mechanisms to offset some of the costs.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 246 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 54 Employment and Public Institutions on S.B. No. 1294

The purpose of this bill is to appropriate \$568,486.91 for fiscal year 1991-1992 to be deposited into the Criminal Injuries Compensation Fund and expended by the Department of Public Safety pursuant to chapter 351, Hawaii Revised Statutes.

Your Committee finds that this bill is necessary to provide the financial compensation authorized in 1990 by the Criminal Injuries Compensation Commission to be paid to victims of violent crimes for medical expenses, loss of earnings, funeral and burial expenses, and pain and suffering.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1294 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 55 Employment and Public Institutions on S.B. No. 1338

The purpose of this bill is to place the salaries of deputy district superintendents of education within a range which more equitably reflects their multifarious and complex assignments.

Currently, deputy district superintendents are paid within the \$62,854 to \$65,683 salary range. This bill provides that the salary range shall be \$65,683 to \$72,886, a level which your Committee finds more suitable considering that the individuals in these positions must involve themselves in personal relationships with schools and offices in both the public and private sectors as well as carry out a full range of supervisory functions.

After further consideration, your Committee finds that there is a compelling need to encourage teachers to seek promotions to vice-principal, another complex and demanding job for which there is a shortage of applicants. Therefore, your Committee has amended this bill by providing that any teacher promoted to vice-principal shall have a raise in pay of at least twelve percent or be remunerated at the lowest salary range for vice-principals, whichever is higher. This amendment also provides commensurate raises for incumbent vice-principals who received a lower percentage increase under Department of Education rules.

Your Committee has further amended this bill by making some nonsubstantive technical changes for the purposes of style and conformance with recommended drafting technique.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1338, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 56 Ways and Means on S.B. No. 731

The purpose of this bill is to implement the constitutional mandate to provide a tax refund or tax credit when, under certain conditions, there is a surplus in the state general fund.

Article VII, section 6, of the Constitution of the State of Hawaii requires the legislature to provide for a tax refund or tax credit to the taxpayers of the State whenever the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years. Since these factors have been met for the tenth year in a row, this bill is necessary to satisfy the constitutional mandate.

To qualify for this credit, the taxpayer must have been a resident of the State for at least nine months whether or not the resident was physically in the State for nine months. The amount of the income tax credit shall reduce the tax liability of the taxpayers for the 1991 taxable year. If the tax credit exceeds the amount of tax due, or if there is no tax due, the excess amount of the credit shall be paid to the qualified taxpayer. The amount of the credit shall be multiplied by the number of qualified exemptions for the taxable year.

Your Committee has amended this bill by:

- (1) Deleting all references to the obsolete excise tax credit and substituting the correct references to the food/excise tax credit; and
 - (2) Changing the language prohibiting the availability of the tax credit to:
 - (A) Persons who have been convicted of a felony, committed to prison, and physically confined;
 - (B) Persons who would have been eligible to be claimed as a dependent but who have been committed to a youth correctional facility; and
 - (C) Misdemeanants who have been committed to jail and physically confined;
- by requiring the period of confinement to be more than three months, rather than for the full taxable year.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 731, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 57 Ways and Means on S.B. No. 1227

The purpose of this bill is to allow the general excise subcontractor deduction to be claimed by general contractors for payments made to foreign subcontractors who are not required to be licensed by the department of commerce and consumer affairs and who perform services exclusively on federal property.

Currently, the general excise tax law allows a contractor who engages a subcontractor to perform a portion of the contracted work to take a deduction from gross income for amounts paid to the subcontractor; provided that the subcontractor is licensed in the State and has paid the State the four per cent general excise tax on the amount of the gross income being deducted. This bill would ensure that the subcontractor deduction is not construed to unconstitutionally favor local subcontractors in bidding for jobs on federal property by allowing general contractors to claim the subcontractor deduction for both local and foreign subcontractors.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1227, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 58 Ways and Means on S.B. No. 1229

The purpose of this bill is to amend the definition of "person" in the general excise tax law to include trustees in bankruptcy.

Testimony submitted by the Tax Foundation of Hawaii and the director of taxation stated that the general excise tax has always been imposed against a bankruptcy estate for the privilege of engaging in business in Hawaii. The bill clarifies the statute by specifically including trustees in bankruptcy in the definition of "person". The director of taxation testified that this clarification ensures compliance with the general excise tax law.

Your Committee finds that this bill does not change the substantive law in this State, as the Hawaii supreme court ruled in In Re Taxes, Guntzer, 52 Haw. 56 (1970), that a bankruptcy trustee is a person doing business for purposes of the general excise tax law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1229 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 59 Ways and Means on S.B. No. 1254

The purpose of this bill is to provide for reversion of unused private activity bond allocations to the State. The Internal Revenue Code of 1986, as amended, limits the amount of private activity bonds which a state or its political subdivisions may issue. The limit for the State of Hawaii is \$150,000,000 per calendar year. The Code also permits unused volume cap to be carried forward for certain activities. These activities include qualified student loan bonds, qualified mortgage bonds or mortgage credit certificates, qualified redevelopment bonds, and exempt facilities bonds such as facilities for the local furnishing of electric energy or gas, solid waste disposal facilities, and residential rental projects. Chapter 39B, Hawaii Revised Statutes, allocates the volume cap to the State and the several counties as follows: \$75,000,000 or fifty per cent to the State, 37.5 per cent to the City and County of Honolulu, 5.03% to the County of Hawaii; 2.41% to the County of Kauai; and 5.01% to the County of Maui.

This bill will enhance the flexibility of managing the private activity bond volume cap. Unrequired volume cap would revert to the State for redistribution among the counties or be carried forward by the State for anticipated demands.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1254 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 60 Ways and Means on S.B. No. 2101

The purpose of this bill is to provide for capital improvement projects in the State. The bill appropriates \$1 each for projects a, b, c, and d. The purpose of the appropriations and authorizations include land purchase, design, site preparation, improvement to land, construction, and necessary equipment. The bill provides that authorizations made for fiscal year 1991-1992, that are unencumbered shall lapse as of June 30, 1994, except those for projects necessary to qualify for federal aid financing and reimbursement if the legislature redetermines that the projects are essential.

Your Committee finds that the capital improvements provided for in this bill are vital to the ability of the State to carry out its functions.

Your Committee has made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2101, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 61 Ways and Means on S.B. No. 2102

The purpose of this bill is to authorize the issuance of general obligation bonds to finance legislative project appropriations for which the means of funding identified include general obligation bond and reimbursable general obligation bond funds. This bill also declares findings with respect to these bond authorizations as required by the Constitution of the State of Hawaii.

Your Committee finds that Article VII, section 13, of the Constitution of the State of Hawaii directs the legislature, in every general law authorizing the issuance of general obligation bonds, to declare findings that the total amount of principal and interest estimated for such bonds and for all bonds authorized but unissued and calculated for all bonds issued and outstanding will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2102 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 62 Ways and Means on S.B. No. 1219

The purpose of this bill is to provide for the suspension of the running of the statute of limitations for the assessment of taxes for bankruptcy cases under Title 11 of the United States Code. This bill will also bring the state administration of tax laws into alignment with section 6503(i) of the Internal Revenue Code and give the state equal access to assessments for delinquent taxes when the Bankruptcy Court lifts the stay of action against the debtor.

Your Committee agrees with testimony submitted by the department of taxation and the Tax Foundation of Hawaii in support of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1219 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 63 Education on S.B. No. 1313

The purpose of this bill is to establish a University of Hawaii Alumni Revolving Fund.

Your Committee finds that many of the University of Hawaii Alumni Association's activities and programs involve the purchase and sale of goods and services. The revolving fund proposed in this bill will facilitate the operation of these programs.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1313 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 64 Education on S.B. No. 1337

The purpose of this bill is to appropriate funds for adjustments made to the Educational Officer Classification/Compensation Plan by the Educational Officer Classification/Compensation Appeals Board.

Section 297-31.3, Hawaii Revised Statutes, provides for a Classification/Compensation Appeals Board to make decisions on matters of classification and compensation for educational officers. Your Committee concurs with the action taken by the Appeals Board, which supports the concept of equal pay for equal work.

Your Committee has amended this bill to correct a typographical error and make technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1337, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 65 Education on S.B. No. 1480

The purpose of this bill is to appropriate \$20,000 for the Department of Education to conduct school inspections as mandated by Act 369, Session Laws of Hawaii (SLH) 1989.

The Department of Education formed a committee to assist in developing and implementing a school inspection program, in compliance with the provisions of Act 369, SLH 1989. Your Committee finds that resources are needed to continue refining the school inspection process during the 1991-1992 school year.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1480 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 66 Education on S.B. No. 1677

The purpose of this bill is to appropriate funds for fiscal biennium 1991-1993 to improve student services to the deaf and hearing impaired.

Specifically, this bill provides funds to expand interpreter services, provide continuing education and outreach, and improve access to Kapiolani Community College and the University system.

Your Committee received voluminous testimony in support of this measure.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1677 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 67 Education on S.B. No. 1740

The purpose of this bill is to appropriate funds to the University of Hawaii for the clearing of a vacant lot on the corner of Lowrey Avenue and Woodlawn Drive for a temporary park and ride site for University of Hawaii students.

Presently, the lot is designated to be used for the planned faculty housing complex that is to be constructed upon completion of the feasibility study.

The lack of parking at the Manoa campus has been a major student concern for many years, and the problem continues to escalate. In addition, your Committee notes that approximately 700 parking stalls on the central campus will be lost

due to construction during the 1991-1993 fiscal biennium. Your Committee finds that until a permanent solution is found, this bill will help alleviate this major problem at the University.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1740 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 68 Culture, Arts and Historic Preservation on S.B. No. 1458

The purpose of this bill is to appropriate \$75,000 to be expended by the Department of Accounting and General Services to fund the programs and activities of the Hawaii Youth Symphony Association.

Your Committee finds that the Hawaii Youth Symphony Association provides the musically inclined youth of the State an opportunity to play symphonic music with other students from throughout Hawaii.

Your Committee has amended the bill to reduce the amount of the appropriation from \$75,000 to \$59,000.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1458, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 69 Culture, Arts and Historic Preservation on S.B. No. 1583

The purpose of this bill is to appropriate \$1,245,180 for fiscal year 1991-1992 to improve the broadcast signal of public television station KHET and to appropriate \$61,000 for fiscal year 1992-1993 to maintain the quality and reliability of the signal.

Your Committee finds that KHET is the only broadcast television station to reach some areas of the east coast of the Big Island and the north shore of Kauai and that a stronger and more reliable signal is needed.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1583, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 70 Culture, Arts and Historic Preservation on S.B. No. 1600

The purpose of this bill is to provide a state income tax credit against the cost of rehabilitation, restoration, or preservation of properties listed in the Hawaii Register of Historic Places.

Your Committee finds that this bill will provide incentives for better care of historic places including homes, fishponds, heiau and trails throughout the State.

Your Committee has amended this bill by making nonsubstantive technical changes.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1600, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 71 Culture, Arts and Historic Preservation on S.B. No. 1666

The purpose of this bill is to establish the Hawaiian fish pond restoration program within the Department of Land and Natural Resources.

Your Committee finds that the ancient Hawaiian fish ponds are an historic and cultural treasure and provide a valuable source of food and employment for the State's people.

Your Committee has amended the bill to add representatives from the Maui Economic Development Board and Molokai's Hui O Kuapa as members of the restoration hui.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1666, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 72 Judiciary on S.B. No. 106

The purpose of this bill is to improve the appointment process of per diem judges by involving a judicial selection commission and by explicitly setting out the required background of the appointee and terms of appointment.

Article VI, Section 3 of the Hawaii State Constitution provides that: "The chief justice shall appoint per diem district court judges as provided by law." The current law gives the chief justice complete discretion in the selection of per diem district judges. The law is silent as to the manner by which a per diem judge is selected as well as the basis for selection. This contrasts sharply and incongruously with the use of a judicial selection commission for all other judicial appointments.

The chief justice, aware of the concerns addressed by S.B. No. 106, has recently initiated informal measures to improve the selection process of per diem judges, such as informal committees to review applicants.

Taking all matters into consideration, your Committee amends S.B. No. 106 to formally establish a five member judicial selection commission for the screening of applicants for per diem judgeships. Two of the members will be appointed by the speaker of the house of representatives, two by the president of the senate and the fifth by the governor. They shall submit three nominees for the chief justice to select from among and the selection shall be subject to senate approval.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 106, S.D. 1, and be placed on the calendar for Third Reading

Signed by all members of the Committee except Senator Cobb.

SCRep. 73 Judiciary on S.B. No. 607

The purpose of this bill is to increase incrementally the number of circuit court judges in the first circuit, adding two in fiscal year 1991 and another in fiscal year 1992.

Your Committee received testimony in favor of this bill from the Judiciary, the Honolulu Prosecuting Attorney and the Hawaii State Bar Association.

Your Committee finds that additional circuit court judges are needed to process the backlog of cases as well as the increasing number of civil and criminal cases filed in the first circuit each year.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 607 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 74 Judiciary on S.B. No. 139

The purpose of this bill is to require that all family court judges be circuit court judges, with the requisite background, powers, and compensation as regular circuit court judges.

The Judiciary testified in favor of the bill with a few technical amendments, but expressed concern that the bill does not automatically elevate present district court family judges to circuit court judges.

Your Committee finds that, because of the impact that family courts have on the lives of children and families, this bill is necessary to assure that family court judges meet the highest standards as well as to ensure that these judges are adequately compensated for the enormous responsibilities they bear. All applicants, including interested district family court judges, should be required to meet the same standards.

Your Committee amends the bill so that a circuit family court position is created after the expiration of a district family court judge's term. This amendment allows the present district court judges to serve out the remainder of their terms and provides for a gradual transition during the interim.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 139, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 75 Judiciary on S.B. No. 615

The purpose of this bill is to legislatively establish the annual convening of a judicial conference as one of the chief justice's responsibilities.

Chief Justice Herman Lum convened the first annual Hawaii State Judicial Conference in 1985 by supreme court order. Membership in the conference is composed of both judges and attorneys. The purposes of the conference include providing a forum for open discussion between the bench and the bar to review and improve the operations, practices and procedures of the Hawaii courts. Since its inception, the Conference has provided a vehicle for such topics as the establishment of a Unified Bar, financial disclosure by judges, and judicial evaluation.

Your Committee recognizes the important role played by the Hawaii State Judicial Conference in promoting efficient and judicious administration of our Hawaii's legal resources.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 615 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 76 Judiciary on S.B. No. 1263

The purpose of this bill is to amend the existing laws pertaining to the issuance of and compliance with investigative subpoenas issued by the attorney general and county prosecutors.

First, the bill clarifies an anomaly in the law as to who can serve investigative subpoenas. Under the present law, a subpoena is to be served by a police officer of the issuing authority who is at least eighteen years of age. However, the issuing authorities employ investigators with the powers of police officers, not police officers. This bill gives these investigators the authority to serve subpoenas.

Second, the bill limits the rates for research and document reproduction that can be charged by financial institutions that perform these services in compliance with investigative subpoenas. The rates are established by reference to the rates allowed by the federal reserve system for responding to subpoenas issued by comparable federal agencies. The current rates are \$10.00 per hour for research and \$.15 per copy. This bill will thus standardize rates and eliminate the charging of fees that vary extensively from institution to institution.

Finally, the bill makes it clear that compliance with investigative subpoenas will not expose the recipient to civil liability, a concern consistently expressed by persons and entities receiving such subpoenas.

Your Committee received testimony in support of the bill from the attorney general, and prosecutors and police chiefs from all four counties.

Concerns were expressed that placing a ceiling on fees will impose a burden on financial institutions. However, because the bill is limited to investigative subpoenas issued by the attorney general and prosecutors and does not extend to all subpoenas, your Committee finds that it will not impose an unreasonable burden on financial institutions.

Your Committee is in accord with the intent and purpose of S.B. No. 1263 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 77 Education on S.B. No. 775

The purpose of this bill is to appropriate funds to staff the Center on the Family within the Department of Family Resources of the University of Hawaii at Manoa.

Your Committee finds that in order to meet the challenges of life in a complex and changing world, families need objective information, practical knowledge, and skills to manage their resources to prevent and solve problems that arise. Your Committee believes that the proposed Center on the Family, through its program of education and training, will help alleviate stress and difficulties encountered by the family unit.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 775 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 78 Education on S.B. No. 1314

The purpose of this bill is to authorize the University of Hawaii and the Department of Education to: (1) approve requests by vendors to assign the payments owed them, and (2) to certify the availability of funds for their contracts.

Under the provisions of Act 321, Session Laws of Hawaii (SLH) 1986, as amended by Act 283, SLH 1987, and Act 371, SLH 1989, certain administrative flexibilities were granted to the University of Hawaii and the Department of Education. This included the authority and responsibility for all matters relating to the acquisition of goods and services, and the pre-audit of all related payments.

Currently, only the State Comptroller is authorized to approve requests for assignment and to certify the availability of funds. However, since the University and the Department of Education was granted responsibility for their own purchasing and disbursing functions under the administrative flexibility legislation, the Comptroller is no longer able to fulfill these statutory duties. This bill is a housekeeping measure that would authorize the chief financial officers of the University and the Department of Education to perform these functions.

Your Committee received testimony in support of this measure from the Department of Education, the University of Hawaii, and the Department of Accounting and General Services.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1314 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 79 Education on S.B. No. 1554

The purpose of this bill is to appropriate funds to the Department of Education for clerical support staff positions.

Your Committee finds that clerical support services are an integral component of the public education system, and that funding for adequate clerical staffing is vital to making public education in Hawaii "second to none."

Your Committee has amended this bill as follows:

- (1) Appropriating \$745,531 for fiscal year 1991-1992 for 20 clerk typist and 23.5 account clerk positions; and
- (2) Appropriating \$2,250,078 for fiscal year 1992-1993 for 70.5 clerk typist and 51 account clerk positions.

Your Committee also made certain technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1554, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 80 Education on S.B. No. 1791

The purpose of this bill is to increase the percentage of tuition waivers provided by the University of Hawaii from fifteen to seventeen percent of the total fulltime enrollment.

Your Committee received testimony in support of this measure from the University of Hawaii who stated that there is an overwhelming demand for these waivers, especially at the Hilo, Manoa, West Oahu, and Windward campuses. The University has determined that priority for the award of additional tuition waivers will be given to recruiting and retaining underrepresented students.

Your Committee finds that these additional tuition waivers will enable the University to assist students participating in extracurricular activities, recruit Hawaii's top high school graduates, and provide financial assistance to needy students.

Your Committee has amended this bill to correct a typographical error.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1791, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 81 Education on S.B. No. 1863

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to enable the Department of Education to expand its special needs programs at designated schools in the Honolulu district.

During the 1989-1991 fiscal biennium, \$4,200,000 was appropriated by the legislature to the Department of Education for the implementation of special needs programs at certain schools. The schools selected were those chronically characterized by low academic performance of students, high absenteeism, disciplinary problems, low retention and graduation rates, and poor school climate. Your Committee finds that special needs programs allow for the improvement of critical education factors such as student achievement, attendance, school climate, and discipline.

Your Committee has amended this bill by:

- (1) Appropriating \$1,600,000 for fiscal year 1991-1992, and \$2,800,000 for fiscal year 1992-1993 to expand the special needs program; and
- (2) Including the islands of Molokai and Lanai in the expansion project.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1863, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 82 Education on S.B. No. 1994

The purpose of this bill is to authorize the issuance of general obligation bonds to replace the Hamilton snack bar food service facility.

In addition, the bill requires Marriott Education Services, the current food service contractor at the University of Hawaii, Manoa, to provide matching funds for this project.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1994 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 83 Education on S.B. No. 2003

The purpose of this bill is to appropriate funds for shuttle bus services for students at the University of Hawaii, Manoa.

The lack of parking at the Manoa campus has been a major student concern for many years, and the problem continues to escalate. In response to expressed student needs, the Associated Students of the University of Hawaii began a pilot shuttle bus program during the current spring 1991 semester. To date, the program has been extremely successful, with anticipated ridership levels of over 1,000 passengers.

Your Committee notes that a related measure, S.B. No. 1740, proposes to appropriate funds to clear a vacant lot on the corner of Lowrey Avenue and Woodlawn Drive for a temporary park and ride site for University students. Presently, the lot is designated to be used for the planned faculty housing complex that is to be constructed upon completion of the feasibility study. Your Committee finds it appropriate for the proposed shuttle bus service to run to and from this park and ride site, and has amended the bill accordingly.

In addition, your Committee has further amended this bill by:

- (1) Providing an appropriation of \$20,000 for each year of fiscal biennium 1991-1993 for shuttle services; and
- (2) Requiring the Associated Students of the University of Hawaii (ASUH) to provide matching funds for this project.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2003, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 84 Transportation and Intergovernmental Relations on S.B. No. 14

The purpose of this bill is to issue general obligation bonds in the sum of \$150,000, and appropriate the same sum for the design and construction of an additional left-turn lane along Kamehameha Highway onto Waimano Home Road, Pearl City, Oahu.

Your Committee received supporting testimony from the Department of Transportation, Councilman Arnold Morgado and the Pearl City Neighborhood Board No. 21, and finds that this project is necessary in order to correct a potentially dangerous situation and to help improve traffic conditions.

Your Committee has amended this bill by increasing the appropriation to \$200,000, the additional \$50,000 being for the design and construction of the roadway, as recommended by the Department of Transportation.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 14, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 85 Transportation and Intergovernmental Relations on S.B. No. 874

The purpose of this bill is to appropriate funds to establish a bicycle coordinator position in the Department of Transportation in order to assist the director of transportation in planning, funding, acquisition, design, construction, improvement, repair and maintenance of bikeways statewide.

Your Committee received supporting testimony from the Department of Transportation, the Mayor of the County of Kauai, the Hawaii Bicycling League and many other concerned private citizens, and finds that bicycles are a viable form of alternate transportation. The greater use of bicycles can alleviate traffic congestion, air pollution and promote a healthier Hawaii.

Your Committee has amended this bill by adding \$65,000 for salary and fringe benefit costs for the bicycle coordinator position.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 874, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 86 Transportation and Intergovernmental Relations on S.B. No. 1159

The purpose of this bill is to appropriate the sum of \$120,000 to complete improvements on the Kahului Harbor Boat Ramp, Kahului, Maui.

Your Committee received supporting testimony from the Department of Transportation and finds that the boat wash down area was not completed because the bids were higher than expected. The funds appropriated by this bill are necessary to complete the project and provide the boaters of Maui a complete facility.

Your Committee has amended this bill by increasing the amount of the appropriation to \$177,000 upon the recommendation of the department.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1159, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 87 Transportation and Intergovernmental Relations on S.B. No. 1809

The purpose of this bill is to issue general obligation bonds in the sum of \$3,250,000, or so much thereof as may be necessary, and appropriate the same for fiscal year 1991-92, as a grant-in-aid to the Hawaii Wing Civil Air Patrol for the design and construction of replacement civil air patrol hangars at various airports throughout the state.

Your Committee received supporting testimony from the Department of Transportation and the Armed Services Committee of the Chamber of Commerce, and finds that this project is necessary to provide a strong civil defense, as well as improve drug interdiction.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1809 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 88 Employment and Public Institutions on S.B. No. 1073

The purpose of this bill is to permanently set the annual investment yield rate of the Employees' Retirement System's Pension Accumulation Fund at eight and one-half percent beginning with the June 30, 1991 valuation.

Currently the yield rate is statutorily set every biennium and is currently eight percent.

Your Committee notes that the intent of this bill is to increase the assets of the Fund and thus reduce or even eliminate the need for appropriations to the Retirement System.

After due consideration, your Committee finds that situations beyond the control of the Legislature or the State require that extreme prudence and caution be practiced in making any decisions which relate to the multibillion dollar Pension Accumulation Fund. Therefore, your Committee has amended this bill by retaining the eight percent yield rate for actuarial valuations made for years ending June 1 1991 and 1992.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1073, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1073, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 89 Employment and Public Institutions on S.B. No. 1076

The purpose of this bill is to enable certain public employees with a minimum of fifteen years of credited service to receive normal disability retirement benefits calculated on the basis of two and one-half percent of the member's final compensation multiplied by total years of service.

Under current law, upon retirement for ordinary disability, a member of the Employees' Retirement System receives a regular service retirement allowance if he or she is at least fifty-five years old. Otherwise, the disability retirement allowance is calculated at the rate of one and three-quarter percent.

This bill would allow only those public employees engaged in dangerous and highly stressful occupations, to wit firefighters, police officers, corrections officers, investigators for the Departments of the Prosecuting Attorney and the Attorney General, and narcotics enforcement investigators, to benefit from the higher rate, regardless of age.

Considering the nature of the work and the significant contributions to the public health, safety, and welfare made by the persons occupying these high risk occupations, your Committee finds it appropriate to compensate them, after many years of service and upon disability, in the manner prescribed by this measure. Your Committee also finds that this bill will not significantly increase the costs of public employment.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1076 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 90 Employment and Public Institutions on S.B. No. 1078

The purpose of this bill is to grant civil service status to all temporary state public employees who have been working at least five consecutive years on a civil service exempt basis.

The State regularly employs hundreds of individuals on a civil service exempt basis, which means they are not represented in collective bargaining and are therefore denied some of the benefits and protection enuring to permanent civil service employees. Some of these appointments continue for years without change of status. Your Committee finds that it is equitable and in the best interest of these persons, who perform services in the public interest, to be accorded the same rights and protection as others who are employed with full civil service benefits and perform similar or comparable services.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1078 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Blair.

SCRep. 91 Employment and Public Institutions on S.B. No. 1079

The purpose of this bill is to establish a leave sharing program in which public employees may transfer vacation and sick leave to other employees.

Your Committee recognizes that from time to time, public employees or their relatives or household members suffer from extraordinary illnesses, injuries, impairments, or other conditions which prevent them from working and cause great economic and emotional distress. This situation is further exacerbated when affected employees have used all their accrued vacation and sick leave and are forced to take leave without pay or terminate their employment. This bill specifically addresses this problem and will enable some otherwise deserving individuals to remain in public employment without experiencing catastrophic economic loss.

Your Committee has amended this bill by inserting definitions of "Department of Personal Services," "employee," "employer," and "program" which were inadvertently omitted from this bill as introduced.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1079, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 92 Employment and Public Institutions on S.B. No. 1081

The purpose of this bill is to eliminate the distinction between essential employees and positions and nonessential employees and positions under the collective bargaining law.

Currently, employees considered essential by their employers and occupying employer-designated essential positions are prohibited by law from striking, thus giving the public employers an edge in collective bargaining negotiations. This bill seeks to eliminate that advantage.

Your Committee finds that collective bargaining in the public sector is a delicate process wherein neither the public employer nor the union should have a specific statutory advantage over the other. This bill will improve the balance between public employers and employees in their efforts to achieve equity and fairness in collective bargaining and therefore will serve the public interest.

Your Committee has amended this bill by making minor technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1081, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Blair.

SCRep. 93 Employment and Public Institutions on S.B. No. 1186

The purpose of this bill is to authorize the Comptroller to deposit moneys received from settlements of claims or losses of state property into the State Risk Management Revolving Fund.

Currently these moneys revert to the General Fund. This bill will allow the Department of Accounting and General Services to use these moneys to pay for repairs or replacement of state property, thus enabling the effective use of the Fund in minimizing disruptions to public services.

Your Committee received supporting testimony from the Department of Accounting and General Services.

Your Committee has amended this bill by making minor technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1186, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 94 Employment and Public Institutions on S.B. No. 1241

The purpose of this bill is to change the basis of contributions by the State and counties for retirees with less than ten years of service from a monthly fixed-dollar amount to a percentage equal to one-half of the total monthly health insurance premiums for retired employees.

Public employers will continue to fund the full monthly premiums for the childrens' dental plan and life insurance plan enrollments for active employees and retirees.

Your Committee notes that under the present fixed-dollar funding method, specific legislation must be passed every biennium else such funding will terminate and retirees with less than ten years of service will have to pay the entire premium. This bill ensures that this special class of retirees will always benefit from public employer contributions to the cost of their health insurance coverage.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1241, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 95 Employment and Public Institutions on S.B. No. 1270

The purpose of this bill is to extend from July 1, 1991 to September 30, 1992 the time by which all state and county agencies must complete the public records report required by Section 92F-18(b), Hawaii Revised Statutes.

The Office of Information Practices (OIP) was created in 1989 to implement the Uniform Information Practices Act (Modified), which requires all public agencies to prepare a report describing each set of records it routinely uses or maintains, utilizing forms prescribed by the OIP. However, the automated Records Report System which the OIP must use to receive and properly store this information will not be on-line until May, 1991. Subsequent training on use of the System will further delay implementation until the end of the year.

Your Committee finds that in light of unavoidable delays in implementing the System, it is appropriate to change the information submission date accordingly.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1270 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 96 Employment and Public Institutions on S.B. No. 1271

The purpose of this bill is to enable boards, commissions, authorities, committees, or other deliberative bodies of the State to make decisions in the absence of a quorum.

Specifically, the bill authorizes the Governor to appoint acting members until the next meeting at which a quorum of regular members is present.

At times, especially with smaller boards, etc., a quorum cannot be reached because one or more members are absent due to illness or travel, or must excuse themselves from voting because of a conflict of interest. This bill will ensure that these deliberative bodies may continue to discharge their duties under such circumstances.

Your Committee received supporting testimony from the Attorney General and finds that this bill will enable more efficient operation of government and therefore is in the public interest.

After further consideration, your Committee has amended this bill by exempting the Board of Education and the Board of Regents of the University of Hawaii, both of which have sufficient membership to virtually guarantee a quorum at any given meeting.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1271, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 97 Employment and Public Institutions on S.B. No. 1287

The purpose of this bill is to amend the General Appropriations Act of 1989 in order to pay claims against the State as required under Chapter 386, Hawaii Revised Statutes.

Your Committee finds that when the budget for fiscal year 1990-1991 was established in 1988, the State was lapsing approximately \$1 million at the end of each fiscal year from general operating expenses, Department of Personnel Services, and did not anticipate any change. However, subsequently the Department has assumed responsibility for the Department of Education's workers' compensation claims, increasing both workload and claims against the Worker's Compensation Fund. This bill is needed to pay the claims and avoid a serious deficit in the current fiscal year.

Your Committee notes that this bill has been recommended by the Governor for immediate passage in accordance with Article VII, Section 9 of the State Constitution.

Your Committee has amended this bill by inserting an appropriation of \$3 million for fiscal year 1990-1991 to be expended by the Department of Personnel Services for the purposes of this bill. Your Committee has also made a nonsubstantive technical change for the purpose of conformance with recommended drafting style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1287, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 98 Employment and Public Institutions on S.B. No. 1289

The purpose of this bill is to streamline the method of computing pay adjustments for public employees in shortage category classes.

The present method requires that complex and manually processed arithmetic computations be made each time a shortage category employee receives a pay adjustment, rendering the process subject to human error and placing stress on administrative support staff responsible for carrying out this tedious function. Under this bill, pay for all employees, whether new or existing, will be determined on the basis of the current salary schedule and applicable provisions in the collective bargaining contract.

Your Committee finds that this bill will increase the efficiency and accuracy of important state personnel functions and significantly improve administration of the shortage category classes.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1289, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 99 Employment and Public Institutions on S.B. No. 1293

The purpose of this bill is to clarify and strengthen certain provisions in the laws relating to criminal injuries compensation.

Specifically, the bill does the following:

- (1) Clarifies that the attorney appointed to the Commission is the Chairperson;
- (2) Increases the maximum compensation allowed members of the Criminal Injuries Compensation Commission from \$10,000 to \$15,000 per year;
- (3) Provides that Commission decisions shall be signed by the Chairperson or, in the absence of the Chairperson, another Commission member;
- (4) Clarifies that to be compensable, an act or omission resulting in the injury or death of the victim and for which an arrest was not made must have been reported to the police within fourteen days, which reporting period may be extended upon a showing of good cause as determined by the Commission;
- (5) Provides that compensation may not be paid unless the applicant cooperated with the police and the prosecuting attorney by providing information necessary for the apprehension and prosecution of the offender;
- (6) Prohibits the Commission from considering an application for compensation made more than thirty months after the injury, death, or property damage; and
- (7) Provides an appropriation of \$30,000 for fiscal biennium 1991-1993 to be expended by the Department of Public Safety for the increased compensation authorized pursuant to paragraph (1) above.

Your Committee finds that these provisions will substantially increase the ability of the Commission to appropriately carry out its functions and therefore serves the public interest.

Your Committee has amended this bill by clarifying that to be eligible for compensation, an applicant is required to provide the police and prosecuting attorney with information on the crime only if the applicant is in possession of such information. Your Committee is concerned that applicants cooperate with the police to the fullest extent possible, but acknowledges that some applicants may have no personal knowledge of the crime.

Your Committee has further amended this bill by making several nonsubstantive technical changes for the purposes of clarity, style, and conformance with recommended drafting technique.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1293, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 100 Employment and Public Institutions on S.B. No. 1316

The purpose of this bill is to require insurers to maintain complete claims service offices in the State to process claims for workers' compensation.

Currently, insurance carriers and self-insured employers are not required by law to maintain local offices with draft authority, and thus the Department of Labor and Industrial Relations has experienced difficulties in enforcing timely payment of workers' compensation claims by out-of-state insurers. Sometimes claims processing is impeded, necessitating that eligible claimants wait a protracted time period before needed compensation is forthcoming.

This bill will make the claims process more efficient and help ensure that eligible claimants receive their workers' compensation benefits on a timely basis.

Your Committee has amended this bill by clarifying that the insurance companies must establish and maintain their workers' compensation claims service offices by January 1, 1992 and making the bill effective upon approval. In addition, your Committee has added a provision authorizing insurers to use an independent claims adjusting service in lieu of establishing their own local offices.

Your Committee has also made several nonsubstantive technical changes, including placing the authority of the Attorney General to act for the Director of Labor and Industrial Relations in enforcing violations by insurers in a separate subsection of the proposed new section. Other nonsubstantive amendments have been made for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1316, S.D. 1, and be referred to the Committee on Consumer Protection and Business Regulation.

Signed by all members of the Committee.

SCRep. 101 Employment and Public Institutions on S.B. No. 1317

The purpose of this bill is to require insurers to maintain complete claims service offices in the State to process claims for temporary disability insurance (TDI).

Currently, insurance carriers and self-insured employers are not required by law to maintain local offices with draft authority, and thus the Department of Labor and Industrial Relations has experienced difficulties in enforcing the timely payment of TDI benefits by out-of-state insurers.

This bill will make the claims process more efficient and help ensure that eligible claimants receive their TDI benefits on a timely basis.

Your Committee has amended this bill by clarifying that the insurance companies must establish and maintain their TDI claims service offices by January 1, 1992, and making the bill effective upon approval. In addition, your Committee has added a provision authorizing insurers to use an independent claims adjusting service in lieu of establishing their own local offices.

Your Committee has also made several nonsubstantive technical changes, including placing the authority of the Attorney General to act for the Director of Labor and Industrial Relations in enforcing violations by insurers in a separate subsection of the proposed new section. Other nonsubstantive amendments have been made for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1317, S.D. 1, and be referred to the Committee on Consumer Protection and Business Regulation.

Signed by all members of the Committee.

SCRep. 102 Employment and Public Institutions on S.B. No. 1321

The purpose of this bill is to promote uniformity and efficiency in enforcement of Chapter 368, Hawaii Revised Statutes, relating to the Hawaii Civil Rights Commission.

Specifically, the bill does the following:

- (1) Clarifies that the Commission has authority to process complaints filed by handicapped individuals regarding access to state and state-funded services. Currently, the Commission is expressly empowered to handle only claims relating to public accommodations, real property transactions, and employment;
- (2) Clarifies that the Commission has jurisdiction over "unlawful" as well as "unfair" discriminatory practices, and that the Executive Director, rather than the Commission, shall receive complaints;

- (3) Specifies that if a conciliation agreement acceptable to the Commission has not been reached within 180 days, or within an extension period authorized by the Commission, the Executive Director shall order the respondent to cease the discriminatory action;
- (4) Clarifies procedures relating to determination of reasonable cause and issuance of a final conciliation demand, expressly assigning enforcement functions to the Executive Director;
- (5) Provides for contested case hearings pursuant to Chapter 91, Hawaii Revised Statutes, rather than "public hearings," ensuring that complainants and respondents will have access to all the due process required by law and that the Commission will give due consideration to the issues; and
- (6) Repeals the provisions relating to a de novo review to be consistent with the the finding that Chapter 91 affords appropriate due process and, as an added benefit, to reduce burdens already placed on our circuit courts.

Your Committee finds that these provisions are necessary to enable the Commission and its Executive Director to efficiently and appropriately administer and enforce the State's antidiscrimination laws.

Your Committee has amended this bill as follows:

- (1) Clarified that the Commission's powers include conducting depositions and requiring the attendance of witnesses at hearings subject to examination under oath;
- (2) Authorized the Commission to seek judicial enforcement of conciliation agreements or predetermination settlements;
- (3) Clarified the Commission's jurisdiction over handicapped persons' access to state and state-funded services;
- (4) Deleted unnecessary language on page 4, lines 16-17 and page 5, line 22, as well as paragraph (6) of Section 368-17(a);
- (5) Replaced the word "who" on page 6, line 5 with "which," the correct pronoun;
- (6) Added an amendment to Section 368-15 allowing the Commission to review compliance with predetermination settlements;
- (7) Amended Section 368-17(a) to specify that damages may be awarded for violations of Chapter 368;
- (8) Provided that the Commission's deputy executive director shall be civil service exempt like the executive director, attorneys, and hearings officers; and
- (9) Deleted the requirement that complaints be verified in order to facilitate intake of neighbor island complaints.

Your Committee has also made some nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1321, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 103 Employment and Public Institutions on S.B. No. 1346

The purpose of this bill is to complete the statutory transfer of authority over the Hawaii Youth Correctional Facilities to the Office of Youth Services, Department of Human Services.

Act 375, Session Laws of Hawaii 1989 created the Office of Youth Services to assume responsibility for juvenile corrections functions, including the Hawaii Youth Correctional Facilities, effective July 1, 1991. This bill makes changes to certain other statutes necessary to fully effectuate this transfer.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1346, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 104 Employment and Public Institutions on S.B. No. 1452

The purpose of this bill is to place responsibility for seeking federal funds for veterans nursing homes or other long term care programs with the Director of the Office of Veterans Services.

Your Committee finds that federal funds are available for these purposes through the Department of Veterans Affairs, pending application therefor and approval. This bill will enable the appropriate state agency to apply for these needed moneys.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1452 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 105 Employment and Public Institutions on S.B. No. 1534

The purpose of this bill is to require the Director of Labor and Industrial Relations to submit annual reports to the Legislature on the status of the Unemployment Insurance Trust Fund.

Your Committee finds that the reports prepared pursuant to this measure will provide valuable information on the impact of local and national economic trends on the solvency of the Fund, and thus enhance the ability of the Legislature to make informed policy decisions relating to the State's Unemployment Insurance Program.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1534 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 106 Employment and Public Institutions on S.B. No. 1537

The purpose of this bill is to appropriate \$500,000 for fiscal year 1991-1992 to be expended by the University of Hawaii on salary adjustments for University administrative professional and technical employees.

Your Committee finds that this bill will enable the University administration to restore the internal pricing alignment between pay ranges which was disrupted by the 1990 biennium pricing review.

Your Committee has amended this bill by specifying that the salary adjustments are for positions classified APT 9 through 15.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1537, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 107 Employment and Public Institutions on S.B. No. 1789

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Legislative Reference Bureau on a study of the current monitoring and enforcement practices of public agencies relating to Chapter 104, Hawaii Revised Statutes, the Wages and Hours on Public Works Law.

Your Committee finds that if there are problems or discrepancies in the wages and hours of employees engaged in public works projects, it is in the public interest to find out and make appropriate adjustments. This study will enable such action, if warranted.

Your Committee has amended this bill by specifying that the appropriation shall be \$50,000.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1789, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 108 Employment and Public Institutions on S.B. No. 1915

The purpose of this bill is to amend laws relating to job-sharing in the public service.

Specifically, the bill clarifies that nurses may participate in job-sharing and eliminates the requirement that the Legislative Auditor submit status reports on job-sharing in 1992 and 1993. Your Committee notes that inclusion of nurses under job-sharing will not disturb the policies and procedures of the Department of Health currently in force relating to its job-sharing program. Your Committee further notes that the Legislative Auditor will still be required to submit a final report on job-sharing in 1994.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1915 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 109 Employment and Public Institutions on S.B. No. 488

The purpose of this bill is to establish a Sick Leave Bank to provide members with a source of additional paid leave in the event of a serious and protracted disability or illness, if the member has exhausted accumulated sick and vacation leave credits or personal leave allowances.

The Bank would be operated by a Board of Trustees placed in the Department of Personnel Services and empowered to appoint an administrator and necessary staff to serve without compensation but be reimbursed for necessary expenses. The rules under which the Bank would operate would be adopted subject to collective bargaining provisions. Bank members would make contributions ranging from one-half to one and one-half day's sick leave credit upon enrollment, depending on the member's accumulation, and thereafter contributions would be determined by the Board.

Bank grants would not be made on account of childbirth, the illness of a family member, or for a disability which qualifies the member for workers' compensation benefits. An appropriation is provided to the Department of Personnel Services to establish the Sick Leave Bank, including the hiring of additional staff.

Your Committee finds that it is appropriate to establish means by which public employees may continue to receive remuneration if a catastrophic illness or injury forces the employee to exhaust accrued sick or vacation pay. Your Committee notes that the compensation paid through this plan would come from non-refundable employee contributions.

Your Committee has amended this bill by providing that the appropriation shall be effective on July 1, 1991, and by making a technical change which has no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 488, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 110 Employment and Public Institutions on S.B. No. 1239

The purpose of this bill is to increase the discretion of the Board of Directors of the Employees' Retirement System in investing the System's funds.

Specifically, the bill allows the Board to invest in global fixed-income securities, establish minimum and maximum Member Home Loan Mortgage amounts and determine mortgage interest rates at its discretion, and deletes limits in asset classes currently stated as a percentage of the System's total book value.

Your Committee finds that the System's investment returns have been excellent in recent years and that this bill will give the Board even greater ability to react immediately and to the System's advantage in today's eccentric financial market.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1239, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 111 Employment and Public Institutions on S.B. No. 1286

The purpose of this bill is to increase the ability of the State to employ qualified persons to fill positions essential to the public interest or in a shortage category for which there is continuous recruitment.

Currently, because of the tight labor market and other reasons, the State is experiencing substantial difficulties in attracting candidates for certain essential but vacant positions. This bill authorizes the Director of Personnel Services, or any State appointing authority, to offer potential candidates for these jobs incentives including travel and transportation expenses and cash payments of up to one month's salary, provided that if the person's contract is terminated, any unpaid balance of the cash incentive shall be forfeited.

Your Committee finds that incentives such as those proposed by this measure will enhance the ability of the State to attract and retain qualified workers in essential and shortage positions and thus enable the State to better provide the services required by the people of this State.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1286, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 112 Employment and Public Institutions on S.B. No. 1533

The purpose of this bill as introduced is to require the Director of Labor and Industrial Relations to render a decision following a hearing on a claim for workers' compensation within forty-five days, rather than sixty days as currently provided by law.

Your Committee has amended this bill by deleting the substance and instead providing that the Labor and Industrial Relations Appeals Board, as established pursuant to Section 371-4, Hawaii Revised Statutes, shall consist of five rather

than three members, of whom two shall be representative of management, two shall be representative of labor, and one, the Chairperson, shall be representative of the public.

Other changes have also been made to this statute to technically accommodate the increased board membership.

Your Committee finds that by increasing the membership, the Board will be better able to carry out its functions relating to workers' compensation and other labor laws.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1533, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 113 Employment and Public Institutions on S.B. No. 1732

The purpose of this bill is to enable certain public employees who are acquitted of crimes relating to subduing or restraining emotionally disturbed or violent persons in the course or scope of their employment to be reimbursed for defense costs, including reasonable attorneys' fees.

Specifically the bill applies to adult correctional officers, juvenile detention workers, youth correctional officers, paramedical assistants or licensed practical nurses, and law enforcement or security officers attached to the Departments of Education, Land and Natural Resources, Accounting and General Services, Transportation, and the Attorney General. Reimbursement would be available only if the person had notified the Attorney General of the pendency of the criminal charges against him, with facts establishing that the alleged crime occurred within the course and scope of the person's employment; the Attorney General did not provide legal counsel for the employee's defense; and the legal fees are reasonable and no more than the prevailing rate.

Your Committee finds that dedicated public servants who work with or in close proximity to emotionally disturbed or violent persons are at substantially greater physical risk than other public employees and therefore should be immune from financial obligations arising out of justified use of physical force.

Your Committee has amended this bill by clarifying that the paramedical assistants or licensed practical nurses entitled to reimbursement are those who work with or in proximity to mentally ill or deficient patients. Your Committee has also made some technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1732, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 114 Tourism and Recreation on S.B. No. 33

The purpose of this bill is to provide funds for the purchase of land in the Central District of Oahu to develop a regional park and sports complex.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 33 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 115 Tourism and Recreation on S.B. No. 80

The purpose of this bill is to provide funds for the repair and upgrade of Mala Wharf, its boat launching facilities, parking spaces, and park for recreational purposes.

Your Committee has amended this bill by:

- 1) Changing the amount appropriated from \$3,000,000 to \$3,100,000;
- 2) Specifying that the funds are to be used for complete rebuilding of the Mala Wharf area with an upgrade and improvement of the boat launching area; and
- (3) Changing the expending agency from Department of Transportation to Department of Land and Natural Resources.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 80, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 116 Tourism and Recreation on S.B. No. 328

The purpose of this bill is to appropriate funds from the Department of Transportation for the plans, designs, and repair of the Pokai Bay beach breakwater.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 328 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 117 Tourism and Recreation on S.B. No. 381

The purpose of this bill is to amend Chapter 237D-6.5, Hawaii Revised Statutes, to provide that the amount of transient accommodations tax distributed to each county shall be proportionate to the transient accommodations tax income generated by the county.

The Department of Taxation is not opposed to this bill.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 381 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 118 Tourism and Recreation on S.B. No. 456

The purpose of this bill is to provide funding for improvements at the War Memorial Complex-Football Stadium on Maui.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 456 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 119 Tourism and Recreation on S.B. No. 457

The purpose of this bill is to provide funds through the county of Maui to construct three 50-meter swimming pools in Lahaina, upcountry area, and Kihei.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 457 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 120 Tourism and Recreation on S.B. No. 496

The purpose of this bill is to provide funds to the Department of Land and Natural Resources for the Marine Science Educational Program provided by the Friends of He'eia State Park.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 496 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 121 Tourism and Recreation on S.B. No. 571

The purpose of this bill is to provide funds for planning and restoration of public sand beaches and offshore improvements between Waikiki Aquarium and Fort DeRussy and between the Ala Wai Canal and Kewalo Basin.

Your Committee heard supporting testimony from the Outrigger Hotels, the Hawaii Chamber of Commerce, the City and County of Honolulu, the Waikiki Improvement Association, and the State Department of Transportation.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 571 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 122 Tourism and Recreation on S.B. No. 642

The purpose of this bill is to appropriate funds to construct a regional sports complex at Kealahou, Hawaii.

Your Committee heard testimony in favor of this bill from the Department of Land and Natural Resources. The Department recognized the need for such a facility, provided that the funds appropriated do not replace the department's current budgeted priorities.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 642 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 123 Judiciary on S.B. No. 609

The purpose of this bill is to adopt the recommendations of the Judicial Salary Commission.

Your Committee received testimony in support of this bill from the Judiciary and the Judicial Salary Commission. The Judiciary stressed that adequate financial incentives must be established in order to attract and retain qualified and experienced practitioners in judicial office. A regular cost-of-living adjustment is such an incentive. The Judicial Salary Commission testified that eight other states presently have judicial salaries tied to automatic increased based upon cost of living or state employee increases.

Your Committee amended this short form bill to tie judicial salaries to automatic increases based on the cost of inflation as reflected by the Consumer Price Index as determined by the U.S. Department of Labor.

Your Committee has reservations about this bill, particularly in light of the State's current budget constraints, because it eliminates review of judicial salaries and permits increases without regard to other budget considerations. However, your Committee is willing to reconsider the bill at a later date.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 609, S.D. 1, and be recommitted to the Committee on Judiciary.

Signed by all members of the Committee except Senators Holt, Crozier and McMurdo.

SCRep. 124 Judiciary on S.B. No. 788

The purpose of this bill is to appropriate \$100,000 from the State's general fund for a statewide conference on crimes against women.

Supporters of the bill testified that a statewide conference will educate the community about crimes against women, such as domestic abuse and sexual assault, as well as pool information and resources for agencies working in these areas.

However, because of the current economic outlook and resulting budget cuts, there is concern that an allocation of \$100,000 for a conference might displace funding for badly needed services and programs.

Your Committee finds that a statewide conference will serve an important purpose. However, your Committee received insufficient information to recommend a specific amount.

Your Committee therefore amended the bill by deleting the \$100,000 appropriation and substituting a nominal sum of \$1. The proponents can address the cost issue with the Committee on Ways and Means.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 788, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt, Crozier and McMurdo.

SCRep. 125 Judiciary on S.B. No. 789

The purpose of this bill is to appropriate \$100,000 from the State's general fund to allow the Commission On The Status of Women to conduct hearings that will help to develop community standards defining violent sexual behavior.

Your Committee received testimony in support of the bill from the Sex Abuse Treatment Center, the Hawaii State Coalition Against Sexual Assault, and the Family Peace Center.

The supporters of the bill testified that the hearings will explore the reasons for acceptance of violent sexual behavior in our community. They believe that exposure to such behavior, as portrayed through media and entertainment, has a detrimental effect on our community, contributing to the degradation and victimization of women.

Others, however, expressed concerns that (1) funds for existing programs will be displaced because of budget cuts, and (2) the bill was an attempt to establish censorship.

Your Committee finds that the issue of budget priority will be better addressed by the Committee on Ways and Means. Your Committee therefore amends this bill to substitute a nominal sum of \$1 for the allocation of \$100,000.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 789, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt, Crozier and McMurdo.

SCRep. 126 Judiciary on S.B. No. 791

The purpose of this bill is to clarify sections of the law pertaining to the Hawaii State Commission on the Status of Women and to include the health director as an ex officio member for advisory purposes.

Your Committee received testimony in support of this bill from the Hawaii State Commission on the Status of Women, the Office of Children and Youth, Child and Family Service, and the Department of Health.

Your Committee amended this bill by (1) deleting the minimum meeting requirements since the Commission already meets regularly, (2) updating the title of the Director of the Office of Children and Youth, (3) deleting the Attorney General's representative as an ex officio commission member to avoid potential conflicts between the role as legal advisor and the role as commission member.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 791, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt, Crozier and McMurdo.

SCRep. 127 Judiciary on S.B. No. 1258

The purpose of this bill is to appropriate funds from the general revenues of the State of Hawaii to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

In support of the bill, the State Attorney General submitted testimony, which included brief descriptions of each case. The initial request was for \$1,380,850.15 to satisfy twenty claims. However, in his testimony, the Attorney General requested an additional \$1,290,000 for six cases that have been settled since the initial request and \$1,856.44 for interest that was inadvertently omitted.

Accordingly, the total sum of the Attorney General's current request is \$2,672,706.59.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1258, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt, Crozier and McMurdo.

SCRep. 128 Judiciary on S.B. No. 1836

The purpose of this bill is to appropriate money from the general fund revenues of the State of Hawaii to establish or maintain special prosecution units or special programs within the the county prosecutors' offices.

Funding is requested for prosecution units which focus on crimes related to career criminals, drugs, gangs and domestic violence, and for victim/witness assistance programs.

Your Committee received testimony in favor of the bill from the State Attorney General, the Department of Public Safety, the county prosecutors and police chiefs, Mothers Against Drunk Driving, Child And Family Service, Family Peace Center, Alternatives to Violence, First Presbyterian Church of Honolulu, Kauai YWCA, and private citizens.

Your Committee amended the bill by adding an unspecified amount for a gang prosecution unit within the Honolulu prosecutor's office, adding an unspecified amount for a victim/witness assistance program within the Kauai prosecutor's office, and adding an unspecified amount for a career criminal prosecution unit and a victim/witness assistance program within the Hawaii prosecutor's office. Your Committee also deleted an appropriation for a drug prosecution unit within the Maui prosecution's office.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1836, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Holt, Crozier and McMurdo.

SCRep. 129 Housing and Hawaiian Programs on S.B. No. 526

The purpose of this bill is to appropriate \$125,000 for fiscal year 1990-1991 to be expended by the Hawaii Housing Authority for improvements to Hookipa, Kahaluu, Oahu.

Your Committee finds that security lighting is needed for protection of the residents. Painting the exterior will ensure that the structure and appearance of this development will remain in good condition.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 526 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 130 Housing and Hawaiian Programs on S.B. No. 1093

The purpose of this bill is to increase the maximum eligible adjusted gross income for renter's income tax credit from \$30,000 to \$35,000 and to increase the credit amount from \$50 to \$100.

Your Committee finds that this bill helps mitigate the effects of a lack of exemptions for tenants under property tax laws and the practical application of the excise tax burden being passed on to renters.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1093 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 131 Housing and Hawaiian Programs on S.B. No. 1144

The purpose of this bill is to appropriate \$150,000 to be expended by the Housing Finance and Development Corporation during fiscal year 1990-1991 to finance a study to promote affordable housing.

Your Committee finds that the design and use of innovative housing construction and applications that take advantage of new technology and alternative energy use promotes affordable housing development.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1144 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 132 Housing and Hawaiian Programs on S.B. No. 1246

The purpose of this bill is to increase the amount of revenue bonds which the Housing Finance and Development Corporation is authorized to issue from \$875,000,000 to \$1,275,000,000.

Your Committee finds that the program supported by these bonds, the Hula Mae Single Family Mortgage Purchase Program, has been very valuable in helping low and moderate income families purchase their first homes.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1246 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 133 Housing and Hawaiian Programs on S.B. No. 1252

The purpose of this bill is to authorize the issuance of revenue bonds in the amount of \$375,000,000. These bonds will raise funds for the Housing Finance and Development Corporation to develop or acquire rental housing projects.

Your Committee finds that the amount of revenue bonds currently authorized is grossly inadequate and that the additional amount provided for by this bill will assist in financing the planned development of much needed rental housing projects.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1252 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 134 Housing and Hawaiian Programs on S.B. No. 1434

The purpose of this bill is to award long-term leases on State lands to those residents of Kalapana who are of Hawaiian ancestry and who were dispossessed or displaced from their homes as a result of volcanic eruptions on the island of Hawaii.

Testimony from the Department of the Attorney General and the Department of Land and Natural Resources revealed concern that this bill limits its benefits to Hawaiians as defined by Section 13D-3(b), Hawaii Revised Statutes.

Your Committee heard supporting testimony, however, from the Office of Hawaiian Affairs, the Gibson Foundation and numerous individuals from the Kalapana area and finds that the bill is a constitutional and effective means to carry out its purpose.

Upon consideration your Committee has amended SECTION 1 of the bill to detail the compelling state interest justifying the classification espoused.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1434, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 135 Housing and Hawaiian Programs on S.B. No. 1435

The purpose of this bill is to provide low-interest loans not to exceed three percent interest per annum to those residents of Kalapana who are of Hawaiian ancestry and who were dispossessed or displaced from their homes as a result of the recent volcanic eruptions on the island of Hawaii.

Testimony from the Department of the Attorney General and the Department of Land and Natural Resources revealed concern that this bill limits its benefits to Hawaiians as defined by Section 13D-3(b), Hawaii Revised Statutes.

Your Committee heard supporting testimony, however, from the Office of Hawaiian Affairs, the Gibson Foundation and numerous individuals from the Kalapana area and finds that the bill is a constitutional and effective means to carry out its purpose.

Upon consideration your Committee has amended SECTION 1 of the bill to detail the compelling state interest justifying the classification espoused.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1435, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 136 Housing and Hawaiian Programs on S.B. No. 1746

The purpose of this bill is to appropriate funds for the construction of additional self-help housing projects and to establish a task force to conduct a comprehensive review of administrative practices and procedures relating to self-help housing projects and the development of a statewide self-help housing policy for state-sponsored housing projects and housing projects built on state lands.

Your Committee finds that this bill fosters self sufficiency and financial independence in addition to its basic objective of meeting the need for affordable housing.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1746 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 137 Housing and Hawaiian Programs on S.B. No. 1818

The purpose of this bill is to appropriate \$210,000 for fiscal year 1991-1992 to be expended by the Hawaii Housing Authority to provide 24-hour security service at Kalakaua elderly housing project.

Your Committee finds that mere presence of uniform security personnel adds greatly to the peace of mind of the elderly and fragile tenants and results in a substantial deterrent to unwelcomed incidents from outsiders.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1818 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 138 Housing and Hawaiian Programs on S.B. No. 2095

The purpose of this Act is to require that the Office of Hawaiian Affairs be made a defendant in any quiet title action involving kuleana lands where an owner of the inheritable interest died intestate, or partially intestate and the partial intestacy includes the kuleana land, and there is or was no taker under article II of the Hawaii uniform probate code.

Your Committee finds that this bill adequately addresses the difficulties encountered since the passage of the Kuleana Eschete Act in 1987 by requiring notice of the right to Kuleana being vested in the Office of Hawaiian Affairs.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2095 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 139 Transportation and Intergovernmental Relations on S.B. No. 1090

The purpose of this bill is to appropriate the sum of \$400,000 for fiscal year 1991-1992 for the design and construction of left-turn/U-turn storage lanes fronting Oahu Battery Sales and Service, and Appliance Parts, Co., respectively, on Kamehameha Highway, Pearl City, Oahu.

Your Committee received supporting testimony from the Department of Transportation and Councilman Arnold Morgado, and finds that this project is necessary to mitigate the hazardous conditions that exist when cars line up to make left turns at these locations.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1090 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 140 Science, Technology and Economic Development on S.B. No. 115

The purpose of this bill is to appropriate the sum of \$500,000 for the purchase of the following equipment: (1) a conducting cable and a refurbished winch and (2) a long baseline navigation system. \$2,500,000 of federal funds are being matched for this project.

The equipment is required by the Hawaii Undersea Research Laboratory (HURL), University of Hawaii to enhance the laboratory's manned submersible capability by the addition of an unmanned capability to support direct fisheries resource studies, especially those located over seamounts or banks of the Hawaiian Exclusive Economic Zone (EEZ). The addition of a dedicated support ship, the R/V KAIMIDAI-O-KANALOA, now under construction, offers and adequate deployment platform for the equipment. Deployments to the northern end of the Hawaiian chain are planned for later in 1992. The equipment will allow real-time positioning and operation of robotic devices on the ocean floor from aboard the ship.

Your Committee received supporting testimony from the Director, HURL, University of Hawaii; Scientific Program Manager, NELH; President, Edward K. Noda Association; and President, Makai Ocean Engineering, Inc.

Your Committee received no testimony opposing the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 115 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 141 Science, Technology and Economic Development on S.B. No. 163

The purpose of this bill is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$7,000,000, to assist the Wailuku River Hydroelectric Power, Company, Inc. in the establishment of a hydroelectric power plant and related facilities on the Wailuku River and Kalohehewa Stream in the county of Hawaii.

Your Committee agrees with the testimony of the Department of Business, Economic Development, and Tourism that the issuance of the special purpose revenue bonds will result in establishment of a hydroelectric power plant which will help reduce Hawaii's dependence on imported oil.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 163 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 142 Science, Technology and Economic Development on S.B. No. 431

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in amounts up to \$6,000,000 for the purpose of assisting ETV Hawaii/Elephant Television, Inc. in the generation of new capital for the construction and operation of its proposed Television and Film Industry Production and Training Facility on Maui.

Your Committee received testimony in support of this measure from the Maui County Council, the Maui Economic Development Board, ETV Hawaii, MPS Hawaii, Teamwork Communications, Inc., and two individuals involved with the film industry.

The principal of ETV Hawaii, Mr. C. T. Ryder, is a nationally known television and film producer/director, who desires to establish a full service film and television facility at the Maui Research and Technology Park, at Kihei, Maui. In addition to the objective of producing quality television and motion picture projects on Maui, this enterprise will provide national quality film industry training to Hawaii residents.

Your Committee finds this project has the potential to provide needed film industry education that is currently lacking in Hawaii; can create a new industry on Maui; and could benefit the State of Hawaii by creating a pool of trained production professionals and improved infrastructure that will assist in the attraction of television and film projects to the state.

Your Committee finds the issuance of special purpose revenue bonds is in the public interest to assist ETV Hawaii with the construction of its production and training facility, and is consistent with Part IV of Chapter 39A, Hawaii Revised Statutes, assistance to a processing enterprise.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 431 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 143 Science, Technology and Economic Development on S.B. No. 1388

The purpose of this bill is to establish a "Hawaii Film Facility Special Fund", into which will be deposited fees from tenants or other users of the Department of Business, Economic Development and Tourism's Diamond Head Film Facility, and any appropriations made to the fund from the Legislature.

Your Committee received testimony in support of this administration bill from the Department of Business, Economic Development and Tourism, and from ETV Hawaii/Elephant Television, Inc. The department testified that the special fund is necessary for it to effectively manage the operations and maintenance of the Diamond Head Film Facility. The department further testified that while legislative appropriations may be periodically necessary to improve and upgrade the facility, it is the department's intent to operate the facility through funds collected from user fees.

Your Committee finds that a well maintained and operated film studio is essential for retaining and attracting television and film productions to the state, and that creation of the Hawaii Film Facility Special Fund will facilitate this objective.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1388 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 144 Science, Technology and Economic Development on S.B. No. 1390

The purpose of this bill is to clarify the purpose, duties, and powers of the High Technology Development Corporation to facilitate the growth and development of the commercial high technology industry in Hawaii.

This bill would enlarge the scope of responsibilities of the Corporation to make it more effective. Current law is not specific as to the purpose, duties, and powers as they relate to high technology development.

Your Committee received supporting testimony from the Executive Director of the High Technology Corporation, stating that the Corporation needed a purpose statement that defines its role and an increase of its loan limit to \$1,000,000 from \$500,000.

Your Committee also received supporting testimony from Oceanit Laboratories, Incorporated. Your Committee received no testimony opposing the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1390 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 145 Science, Technology and Economic Development on S.B. No. 1398

The purpose of this bill is to authorize the Department of Business, Economic Development, and Tourism to transfer moneys among the department's business loan revolving funds as the need arises. The revolving funds involved are the Large Fishing Vessel Loan Program, the Small Fishing Vessel Loan Program, the Capital Loan Program, and the Innovation Development Loan Program.

Your Committee heard testimony in support of this bill from the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation. The Department testified that as of December 31, 1990 the four revolving funds had a combined available funding of \$9,103,246. The demand for loans from each of the revolving funds has not normally coincided. Thus at times there may be a surplus of available funds in one fund, while another fund may have been seriously depleted.

In these times of uncertain State revenue receipts and of anticipated reduced appropriations, your Committee finds that granting the Department the authority to transfer moneys between these revolving funds as the need arises, gives the State the capability of making loans or otherwise providing funds to deserving applicants without the need to appropriate general revenues into a particular program that might be short of money. Without this authority and without additional appropriations the department would have to deny these requests. The flexibility to transfer funds will permit more efficient use of state funds, while retaining the integrity of each loan program.

Your Committee finds that granting the authority to transfer moneys among department revolving funds is not without precedent. This authority has been granted to the Department of Agriculture by Act 347, Session Laws of Hawaii, 1989.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1398 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 146 Science, Technology and Economic Development on S.B. No. 1892

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist Olokele Sugar Company in the construction and operation of an upgraded boiler system so that Olokele will be able to provide more electrical power to Kauai Electric Company.

Supporting testimony for the bill was received from Olokele Sugar Company and the Department of Business, Economic Development, and Tourism. Olokele is in the business of growing, harvesting, and processing sugar cane on Kauai. It is also an energy producer utilizing bagasse as a fuel. Olokele would like to make efficiency improvements and add generating equipment to utilize surplus bagasse and increase its production of electric power for sale to Kauai Electric Company. Olokele is embarking on this project to ensure its survival as a sugar producer while at the same time reducing Kauai's dependence on imported oil. There was no testimony in opposition of the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1892 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 147 Science, Technology and Economic Development on S.B. No. 103

The purpose of this bill is to create a sales tax exemption and a fuel tax exemption arising from the sale of liquid propane gas used as a motor fuel.

Your Committee received supporting testimony from the Gas Company and the Automotive and Retail Gasoline Dealers Association. The latter, however, requested that any tax credit for the conversion of service station facilities be limited to independent operators of service stations. Your Committee received opposing testimony from the Tax Foundation of Hawaii and the Department of Taxation. The latter's opposition is based on the loss of revenues and adverse impact on the highway fund and the impact of the fuel taxes collected for the counties by the State. The Department of Business and Economic Development stated that the use of liquid propane will not significantly reduce Hawaii's dependence on the import of fossil fuel or increase Hawaii's energy self-sufficiency.

Your Committee adopted the recommendation from Department of Business, Economic Development, and Tourism that the bill be broadened to include other alternative fuels for motor vehicles and to replace "liquid propane gas" with "alternative fuels."

The intent of the amendment is to encourage all possible liquid fuel technologies and therefore decrease Hawaii's dependency on oil.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 103, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 148 Science, Technology and Economic Development on S.B. No. 109

The purpose of this bill is to retrofit all state motor vehicles to combust liquid propane fuel not later than December 31, 1994, unless specifically excepted by the comptroller.

Concerns were raised by the Department of Accounting and General Services based on the fact that the ultimate cost to use liquid propane fuel for all state vehicles appears to outweigh the benefits that would be derived. The Department of Business, Economic Development, and Tourism stated that the mandate will not reduce Hawaii's dependence on the import of fossil fuel and therefore will not help achieve Hawaii's energy objectives. However, your Committee finds that alternative fuel such as liquid propane will be available in Hawaii even after the gasoline supply is exhausted.

The intent of the bill is to decrease Hawaii's dependence on fossil fuel. Your Committee amended the bill to include all other fuel alternatives, starting in 1994, to encourage the use of all possible liquid fuel technologies.

Your Committee has also amended the bill by requiring that thirty-three per cent of state motor vehicles be retrofitted to combust alternate fuels by December 31, 1994 and that sixty-six per cent of all new motor vehicles purchased by the state after December 31, 1994 will combust alternate fuels.

Your Committee has further amended the bill by deleting the appropriation provided in SECTION 2.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 109, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 149 Science, Technology and Economic Development on S.B. No. 160

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$250,000 for Phase I of the Dish Engine project, a solar thermal electric power generation system.

The amount requested represents only a portion of funds required for the development of the dish engine project, and covers the projected costs for site work, data acquisition, engineering, and project management services. The majority of the funds required will be from the U.S. Department of Energy to Bechtel Corporation who will head a consortium of companies. The dish engine project offers the prospect of reducing the State's dependence on imported oil through alternate energy development.

Your Committee adopted recommendations to amend the bill to condition the appropriation on receipt of funding from the U.S. Department of Energy to Bechtel Corporation. In addition, the expending agency shall be the Department of Business, Economic Development, and Tourism through contracts with the Pacific International Center for High Technology Research and the Hawaiian Electric Company, Inc.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 160, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 150 Science, Technology and Economic Development on S.B. No. 162

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$900,000 for planning and design of a one megawatt electrical plant using down hole coaxial heat exchange technology.

The Down Hole Coaxial Heat Exchanger is a new approach to making use of geothermal energy, one of Hawaii's most abundant energy resources. It is environmentally superior to existing technologies in that no gases or geothermal fluids

are emitted in the process of extracting energy from a geothermal well. There are currently heat measurement tests being conducted at the HGP-A well site. The funds requested will be used to collect and document data for design and for the actual design of the plant. Based on the results to be obtained by the current tests, there may be additional sources of funds from other interested parties.

Your Committee heard testimony from the department of business, economic development, and tourism and from the Pacific International Center for High Technology Research in support of this bill.

Your Committee amended the bill by reducing the appropriation to \$200,000, and adding a proviso requiring the funds to be matched by the consortium partners.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 151 Science, Technology and Economic Development on S.B. No. 200

The purpose of this bill is to allow the counties to establish an emergency telephone service fee to be paid by each customer of the telephone company, which will be used to defray the counties' cost of operating an enhanced 911 emergency telephone services system.

Testimony in support of this measure was received from the Kauai County Council and from GTE Hawaiian Tel. GTE Hawaiian Tel noted that the assessment of a telephone surcharge to fund this important service may not be the best means to pay for it. It appears inequitable for a segment of the population--telephone subscribers--to be responsible for paying for a service that benefits the general public and the many tourists of the State. However, in the absence of any direct State subsidy or other assistance, GTE Hawaiian Tel would support a telephone subscriber surcharge to assist the counties.

Your Committee finds that the enhanced 911 emergency service is an expensive system to operate. At present, only the City and County of Honolulu enjoys enhanced 911 service. If the entire State were on an enhanced 911 system, it is estimated that telephone company billings to the counties for setting up and maintaining these systems would total about \$3,273,500 annually.

Your Committee further finds that funding for the enhanced 911 program, which serves community wide interests, should be supported in part by general tax revenues.

Your Committee has amended the bill by:

- (1) Adding a purpose section;
- (2) Authorizing the legislature to make appropriations to the counties from time to time to assist them in defraying the cost of establishing and operating an enhanced 911 emergency telephone system;
- (3) Allowing the counties to assess an emergency telephone service fee only in the absence of sufficient State assistance;
- (4) Allowing each county council to decide whether an emergency telephone service fee should be assessed; and
- (5) Providing an appropriation to each county for enhanced 911 emergency telephone service cost assistance.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 200, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 152 Science, Technology and Economic Development on S.B. No. 277

The purpose of this bill is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$42,000,000, to finance capital improvement programs to provide electric energy by Kauai Electric Division of Citizens Utilities Company.

Your Committee finds that the issuance of the special purpose revenue bonds will assist Kauai Electric in the funding of its capital improvement programs which are necessary to maintain reliable electric service to the residents of Kauai. It will result in lower electric rates to consumers, and is in the public interest. A list of the alternate energy resources and energy efficiency technologies that support state energy policies filed with the public utilities commission will also be submitted to the department of business, economic development, and tourism.

Your Committee has amended this bill by changing the date of lapsing for the authorization from June 30 to December 31, 1994, as recommended by Kauai Electric. It has also made several technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 277, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 153 Science, Technology and Economic Development on S.B. No. 864

The purpose of this bill is to authorize the High Technology Development Corporation to seek and receive loans from the Hawaii Capital Loan program in order that it may make grants to all qualified applicants of the State's Small Business Innovative Research (SBIR) grants program.

Your Committee received testimony in support of this measure from the High Technology Development Corporation, the Kaimuki Technology Enterprise Center, Hawaii Biotechnology Group, Inc., Advanced Design Systems, SETS Technology, Inc., Oceanit Laboratories, Inc. and from Dr. Mark R. Hagadone.

The Federal SBIR program is an important source of financing for high technology firms. In Hawaii, where venture capital is scarce, this program has been a key factor in the formation, survival, and growth of small high technology research and development companies. Grants from the Federal SBIR program are divided into two phases. The objective of Phase I (typically \$50,000 over six months) is to prove the feasibility of a company's research project, and to provide data supporting the development of a commercial product from that research project. Phase II grants are awarded to support the actual product development work and provides \$500,000 over two years. Competition for both phases of Federal SBIR funding is fierce.

The Hawaii SBIR program provides matching grants from the High Technology Research and Development Fund of up to \$25,000 for Phase I awardees. This Hawaii SBIR seed and bridge funding makes high technology companies in Hawaii more competitive and stimulates the formation of new ventures. It has supported the development of more and stronger SBIR proposals and allowed small Hawaiian businesses to continue research and development beyond the level of funding provided by the federal program.

The Hawaii SBIR program has been so successful that it is now outstripping its funding. Since the program was installed, the number of Phase I grants to Hawaii companies jumped from three to over ten per year. The benefits of the program, however are blunted by delays in grants caused by a lack of funds in the High Technology Research and Development Fund. Currently, there is a shortfall of \$58,872 to fund pending requests for Hawaii SBIR grants, and the shortfall is likely to grow in the coming months.

Your Committee finds that growth of Hawaii's high technology industry is in the best interests of the State. Further, your Committee finds that providing Hawaii SBIR grants in a timely manner is vital to the development and growth of that industry. Your Committee concludes that allowing the High Technology Development Corporation to acquire funds to make Hawaii SBIR grants in a timely manner by "borrowing" funds from the Hawaii Capital Loan Program or from other sources is appropriate.

Your Committee has amended the bill by making the High Technology Research and Development Fund a revolving fund, such that any undisbursed funds may be carried over for use in succeeding years. The bill was also amended by deleting the deferring of payments of the principal and interest on loan for two calendar years from the effective date. Additionally, the bill was amended to place a cap of \$100,000 as the amount that may be transferred from the Hawaii Capital Loan Program to the High Technology Research and Development Fund. Finally, the bill was amended by adding a new section that authorizes the director of the Department of Business, Economic Development and Tourism to transfer funds appropriated by Act 299 Section 13A, Session Laws of Hawaii, 1990, to the High Technology Development Corporation, as an additional source of funds for making grants to qualified Hawaii SBIR applicants.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 864, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 154 Science, Technology and Economic Development on S.B. No. 1176

The purpose of this bill is to appropriate moneys to the county of Hawaii to aid in the coordination of various services, private and public, in preparation for the total solar eclipse on July 11, 1991.

Your Committee heard supporting testimony from the University of Hawaii, Bishop Museum, and the Mayor of the County of Hawaii. The solar eclipse is an unique event which will attract a significant amount of world wide visitors to the Big Island. The increase in visitors raises concerns on public safety, traffic, and other services on the day of the event. There is a need for research and coordination to determine how private and public resources will be impacted, how the stress on our systems and programs can be minimized, and for communication of safety and eclipse information. There was no testimony in opposition of the bill.

Your Committee amended the bill to specify \$50,000 for the funding and to clarify the scope of the coordination activities. Your Committee corrected the date at line 2 to July 11, 1991 as the date of the eclipse.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1176, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 155 Science, Technology and Economic Development on S.B. No. 1243

The purpose of this bill is to authorize the public utilities commission to employ exempted staff to carry out the enforcement function contained in S.B. 1242.

Your committee heard testimony from the Public Utilities Commission and the Hawaii Transportation Association. The bill provides for the appointment of legal secretaries and enforcement officers to work with a staff attorney to investigate and cite persons engaged in unlawful public utility, motor carrier, and water carrier activity. In addition, the bill provides for an exempted economist to evaluate utility filings in areas such as rate of return, financing, and alternate energy costing. There was no testimony in opposition of the bill.

Your Committee adopted the amendments recommended by the public utilities commission to delete SECTION 2. SECTION 2 is no longer required because funding for the enforcement team and economist is to be included in the 1991-1993 budget, as requested by the Governor's message.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1243, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 156 Science, Technology and Economic Development on S.B. No. 1421

The purpose of this bill is to authorize the issuance of general obligation bonds in the amount of \$4,000,000 for the purpose of establishing a renewable energy and biotechnology research facility at the Natural Energy Laboratory, Hawaii, at Keahole Point, Hawaii.

Your Committee heard testimony in support of this measure from the Dean of the University of Hawaii's School of Ocean and Earth Science and Technology, and from the Natural Energy Laboratory of Hawaii Authority (NELHA).

The Natural Energy Laboratory, Hawaii, at Keahole Point provides the infrastructure and services for research, development and commercial projects which use the natural resources available at Keahole Point. The resources are the supplies of cold deep seawater, warm surface seawater and the very high level of solar radiation. A wide variety of aquaculture and renewable energy related projects are currently active at the site.

The national energy policy is under serious consideration this year and given the current uncertain oil supply situation, renewable energy presents a very desirable alternative to Middle Eastern oil. Your Committee finds that the establishment of a national caliber renewable energy and biotechnical research facility at Keahole Point would be a logical and appropriate component of the renewable energy section of the revised national energy policy. The University and NELHA have expressed interest and commitment in pursuing such a facility at Keahole. A "national" laboratory operated jointly by the State and the federal government is envisioned.

Your Committee finds that establishment of a renewable energy and biotechnology research facility is in the best interest of the State, in that it will attract additional and more diversified research activities that will hasten the day when the State's dependance on fossil fuels is lessened, and will help in diversifying the State's economy.

Your Committee has amended the bill by requiring a commitment of matching federal government funding for the laboratory before any appropriation of State funds is made. Additionally the amount of general obligation bond authorization was reduced from \$4,000,000 to \$100,000, and the use of the funds generated, restricted to planning and design of the laboratory facilities.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1421, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 157 Science, Technology and Economic Development on S.B. No. 1517

The purpose of this bill is to appropriate \$106,000 to assist PACON International to plan, coordinate, and promote its 1992 international Pacific Congress on Marine Science Technology in Kona, Hawaii.

Your Committee heard supporting testimony from the Department of Business, Economic Development and Tourism, and from PACON International.

PACON International is a non-profit tax-exempt scientific organization, dedicated to the sharing of scientific and technological information among the Pacific maritime nations. This organization, conceived in Hawaii in 1982, conducts biennial conferences. PACON-92 is scheduled to be held in Kona, Hawaii in 1992, and is expected to attract over seven hundred attendees to Hawaii from all Pacific nations and some European countries.

Your Committee finds that funding by the State to assist PACON-92 will be an effective way of promoting Hawaii's ocean research and development industries and the State's other ocean related activities. This will raise the visibility of Hawaii nationally and internationally as a premier place to conduct ocean research and development; will attract

additional government funding and business support of ocean related activities; and will benefit the public by exposing them to the latest development in maritime research.

Your Committee recommends state funding to assist in the production of PACON-92 in Kona. Being cognizant of the State's financial situation, your Committee has amended the bill by reducing the appropriation to PACON International from \$106,000 to \$50,000.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1517, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 158 Science, Technology and Economic Development on S.B. No. 1726

The purpose of this bill is to authorize issuance of special purpose revenue bonds to assist Puna Geothermal Venture in financing geothermal energy projects in Puna, Hawaii.

Your Committee heard supporting testimony from Puna Geothermal Venture and the Department of Business, Economic Development, and Tourism. Puna Geothermal Venture is in the process of constructing a commercial geothermal plant in Puna, Hawaii. Puna Geothermal Venture is requesting the issuance of special purpose revenue bonds in the amount of \$5,000,000 for construction and related costs associated with the geothermal plant. The project provides technical jobs and supports the Big Island's economy. When completed, the project will provide renewable energy and support the State's goal of reducing its dependence on imported oil.

Your Committee heard testimony in opposition of the bill from the Big Island Rainforest Action Group, the Keahealaka Community Association, the Oahu Rainforest Group, a resident of the Leilani Estates Subdivision, and a concerned Oahu citizen. There were concerns raised by these testimonies on the health impacts of hydrogen sulfide emissions from geothermal wells, and the availability of energy conservation and other renewable technologies as alternatives to geothermal power. Other issues raised were the public safety aspects and financial risks of having a geothermal plant located in a volcanic rift zone.

Your Committee amended the bill to include the amount of \$5,000,000 for the special purpose revenue bonds at page 2, line 7 of the bill as testified to by Puna Geothermal Venture.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1726, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 159 Science, Technology and Economic Development on S.B. No. 2135

The purpose of this bill is to make an appropriation for purchasing and distributing hand-held solar viewing filters and related solar eclipse and eye protection educational material.

Your Committee heard testimony from the Bishop Museum Planetarium and the Department of Business and Economic Development.

On July 11, 1991, Hawaii will experience a one hundred percent total eclipse of the sun. The island of Hawaii is projected to be the best site in the State to view the eclipse. It is anticipated that thousands of island residents will attempt to view this once in a lifetime experience. Direct viewing of any portion of the eclipse without proper eye protection could result in severe eye injury. Proper technique and equipment for viewing the eclipse is imperative to avoid injury, without them many Hawaii residents risk serious eye injury.

Your Committee finds that there are inexpensive hand-held solar viewing filters known as "Sun Peeps" that are readily available. Given the historic nature of this solar eclipse event, your Committee finds that there is a high risk of eye injury to many Big Island residents. Your Committee finds that the State must get involved to educate and disseminate "Sun Peeps" to residents of the Big Island, and thus hopefully reduce the number of persons who incur eye injury.

Upon recommendation of the Bishop Museum, your Committee has amended the appropriation needed to acquire and distribute the "Sun Peeps" and related educational material from \$65,000 to \$95,000.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2135, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 160 Science, Technology and Economic Development on S.B. No. 2136

The purpose of this bill is to appropriate funds to initiate the establishment of a network of ocean-related education centers throughout the State with the University of Hawaii Sea Grant Extension Service serving as the coordinating and lead agency.

Your Committee heard supporting testimony from the Office of State Planning, the University of Hawaii, Sea Life Park, Friends of He'eia State Park, Natural Energy Laboratory of Hawaii Authority and from the University of Hawaii Marine Option Program. Your committee received no testimony opposing this bill.

Your Committee finds that the recommendations of the Hawaii Ocean Center Planning Council that the Hawaii Ocean Center be implemented as a statewide network of programs and center is a cost effective mechanism to develop the ocean-related educational programs and community activities which are appropriate and necessary for the State of Hawaii with its unique and special relationship with the ocean.

Your Committee adopted the recommendations of the University of Hawaii and of the Office of State Planning that the Office of State Planning should be substituted as the expending agency for the appropriated funds and has amended S.B. No. 2136 accordingly.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2136, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 161 Science, Technology and Economic Development on S.B. No. 2000

The purpose of this bill is to authorize the issuance of general obligation bonds for the acquisition of the Kings Landing parcel on the island of Hawaii for the purpose of establishing the "Matsunaga International Peace Academy."

Your Committee heard testimony in support of this measure from the family of the late Senator Matsunaga, the Director of the University of Hawaii's Spark M. Matsunaga Institute for Peace, and from private citizens.

The Kings Landing parcel in Hilo, Hawaii is a 2,138 acre area which is presently for sale. The ocean-front property is ideally suited for the construction and operation of a "peace academy," whose purpose would be to bring together many people from diverse scientific, cultural, and business backgrounds to form "think tanks" to find solutions to world problems. Technology, trade, convention, social, cultural and economic development centers located at Kings landing would complement and enhance the attainment of the peace academy's mission. The "think tanks" and associated facilities and institutions would be called the "Matsunaga International Peace Academy."

Your Committee finds that there is broad international, national, local, corporate, government, and citizen support for establishment of the Matsunaga International Peace Academy at Kings Landing, Hilo, Hawaii. Your Committee recognizes that in these times, with armed conflict ongoing in parts of the world, with energy, famine, ecological, social, and other stresses abounding, that the creation of a multi-cultural, inter-disciplinary, and inter-generational meeting grounds, imbued with the "Aloha Spirit" is necessary to resolve these problems. Acquisition of Kings Landing by the State for the purpose of establishing the Matsunaga International Peace Academy is in the best public interest.

Your Committee has amended the bill by authorizing \$40,000,000 in general obligation bonds required for acquisition of the land.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 2000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2000, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 162 Science, Technology and Economic Development on S.B. No. 1522

The purpose of this bill is to grant a franchise for electric service for the island of Maui, State of Hawaii to Maui Electric Company, Limited.

Your Committee heard supporting testimony from Maui Electric Company, Limited. Maui Electric Company, Limited (MECO) has four different franchises covering various districts of the island. These franchises are "grandfathered" under Hawaii Revised Statutes 269-7.5. Although the proposed franchise is not required for MECO's service territory, eliminate confusion or conflict between the terms and conditions of its existing franchises for the various districts of the island, and simplify administration of the franchises held by MECO. There was no testimony in opposition to the bill.

Your Committee adopted the recommendation of MECO to correct the bill on page 8, line 13, to read "island of Maui", instead of Molokai.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1522, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 163 Education on S.B. No. 291

The purpose of this bill is to hire additional counselors for Hawaii's public high schools.

Specifically, this bill will require 0.5 counselor positions in each public secondary school to initiate and coordinate a peer education program, and provide that the ratio of school counselors to students does not exceed one counselor for every 350 students.

Your Committee believes that adequate staffing in all public schools must include trained and qualified counselors who are able to assist the youth of our State with the complicated problems facing them in today's society.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 291 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 164 Education on S.B. No. 484

The purpose of this bill is to appropriate funds for additional support staff for the Statewide Center for Students with Hearing and Visual Impairments.

Specifically, this bill will convert two federally-funded positions, a psychological examiner IV and school social worker IV to full-time permanent State positions, as well as establish two new permanent State positions, a resource teacher for the hearing impaired and a school psychologist.

The Statewide Center for Students with Hearing and Visual Impairments was established in July, 1989, to formulate and implement a comprehensive system for the diagnosis, education, and vocational training of hearing and visually impaired students. The four positions requested require professionals who are fluent in American Sign Language to provide the coordination of services for these students.

Your Committee finds that professionals who can communicate directly with hearing and visually impaired students will help these students to develop a high self-esteem and to become independent and productive members of society.

Your Committee notes that voluminous testimony in strong support of this measure was received by your Committee.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 484 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 165 Education on S.B. No. 497

The purpose of this bill is to appropriate funds to the Department of Education for the Mastery in Learning Project at Ahuimanu Elementary School.

Ahuimanu Elementary School has participated in the National Education Association Mastery in Learning Project (MILP) since 1985. MILP has enabled teachers, staff, and parents to collaboratively assess and determine school needs, and plan, implement, and evaluate programs aimed at providing excellence in education.

Your Committee finds that MILP has given the faculty and community of Ahuimanu an opportunity to share in the decision-making process that is the cornerstone of the concept of school/community-based management. Your Committee further finds that informal evaluations about the MILP at Ahuimanu Elementary School indicate high satisfaction and a strong sense of accomplishment by all project participants.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 497 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 166 Education on S.B. No. 772

The purpose of this bill is to establish a two year pilot project and authorize the Department of Education to transfer the operation of one or more grades K-6 public schools with fifty percent or more part Hawaiian students to Kamehameha Schools/Bishop Estate.

Testimony in support of this measure was received from the Department of Education. The Superintendent of Education stated that schools would participate on a voluntary basis with the support and approval of the school and community.

Your Committee has amended this bill by:

- (1) Deleting the reference to "day-to-day" operations of the pilot project;
- (2) Providing for Kamehameha Schools/Bishop Estate to carry out the pilot project in consultation and collaboration with the Department of Education;
- (3) Deleting funding for the project; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

Your Committee notes that this pilot project may have financial implications which will require state funding in the future. Your Committee has decided to create the statutory mechanism for the project, and determine whether state funds will be required for implementation of the project at a later date.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 772, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 167 Education on S.B. No. 830

The purpose of this bill is to appropriate funds for a purchase of service from the Pacific and Asian Affairs Council to undertake and implement a statewide high school program in international affairs, including the continuation, expansion, and improvement of its current high school co-curricular programs.

The Pacific and Asian Affairs Council (PAAC) is a private, nonprofit educational organization established in 1954 to promote public awareness and knowledge of international affairs, with a special emphasis on the Asian-Pacific region and Hawaii's role in this critical part of the world. Since its inception, PAAC has designed and conducted co-curricular programs and educational activities for our public and private secondary school students and teachers in the field of international affairs.

It is estimated that approximately 15,000 high school students throughout the State have been reached either directly or indirectly by PAAC's programs and activities.

Your Committee finds that the PAAC provides a valuable and unique service to the people of the State in promoting and stimulating interest and involvement in international activities and Asian-Pacific affairs.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 830 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 168 Education on S.B. No. 856

The purpose of this bill is to provide funds for the establishment of the East Hawaii Aquaculture Center.

Your Committee heard supporting testimony from the Office of the Mayor of the County of Hawaii.

Your Committee finds that the County of Hawaii is endowed with numerous natural resources conducive to the development of diversified aquaculture. The proposed aquaculture center will lend support to current facilities, provide the means for the State to become a leader in aquaculture technology, and enable Hawaii to further diversify its economy.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 856 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 169 Education on S.B. No. 1460

The purpose of this bill is to appropriate funds for the University of Hawaii and the Department of Education to implement the Hawaii Opportunity Program in Education (Project HOPE).

In 1990, Project HOPE was established by the Legislature to provide scholarships and provide assistance for financially needy students, giving priority to ethnic groups underrepresented at the University of Hawaii, Manoa. By working collaboratively with the Department of Education, the University will implement Project HOPE, beginning with the 1991 third grade class who will be eligible for scholarships in 2002.

Project HOPE sets aside \$1 million a year from University of Hawaii tuition fees during this decade to form an endowment. After the year 2000, interest from the endowment will perpetuate the fund.

The funds being requested in this bill would be used for support staff for the statewide coordination of activities, curriculum development, training and assessment, and related costs for transportation and materials.

Your Committee firmly believes in providing opportunities in education to those who cannot afford it. Your Committee finds that financial incentives combined with early and continuous support activities of mentoring, monitoring, and evaluating will encourage disadvantaged students to remain in school and become motivated about attending college.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1460 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 170 Education on S.B. No. 1511

The purpose of this bill is to appropriate funds for a classroom library for Kapaa Elementary School.

Your Committee finds that Kapaa Elementary is the most populated elementary school in the State, but does not have its own library facilities. Currently, Kapaa Elementary shares the library facilities at Kapaa High School.

Your Committee believes that in order to provide quality education to the children of our State, proper resources and facilities must be made available to them.

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

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1511, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 171 Education on S.B. No. 1650

The purpose of this bill is to provide additional lectureship funds for the Honolulu Community College Apprenticeship Training Program at Pearl Harbor Naval Shipyard.

Your Committee heard supporting testimony from the University of Hawaii and graduates of the Apprentice Program.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1650 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 172 Education on S.B. No. 2099

The purpose of this bill is to provide funds for one secretary position and two fifteen passenger vans for Waialua High School.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2099 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.

SCRep. 173 Transportation and Intergovernmental Relations on S.B. No. 473

The purpose of this bill is to appropriate \$500,000 for fiscal year 1991-1992 for the exploration of groundwater for central Maui on condition that the funds are matched by the Department of Water Supply, County of Maui.

Your Committee received supporting testimony from the County of Maui and finds that this project is critical to achieving clean and adequate water supplies for the people of Maui and is of highest priority.

Your Committee has amended the bill by appropriating a total of \$7,800,000 in accordance with the county's recommendation.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 473, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 174 Culture, Arts and Historic Preservation on S.B. No. 639

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Department of Land and Natural Resources to establish a Hawaiian Cultural Center at Lapakahi.

Your Committee finds that the Lapakahi State Historical Park contains many archaeological sites and the historical character of the area should be maintained. However, testimony received by the committee indicates a greater need to develop a master plan for an interpretive center emphasizing historical and cultural themes for the larger North Kohala Historic District.

Your Committee has amended the bill to establish a master plan for a cultural center at Lapakahi State Park and to describe suggestions for activities and facilities for the center. Your Committee has also amended the bill to include the sum of \$200,000 as an appropriation for the purpose of the bill.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 639, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 175 Culture, Arts and Historic Preservation on S.B. No. 1330

The purpose of this bill is to create a Celebration Commission composed of thirteen members appointed by the Governor to coordinate arrangements for the commemoration of Martin Luther King, Jr. on the third Monday of January each year.

Your Committee finds that the commemoration of Martin Luther King, Jr. and his dream has brought a sense of multi-ethnic unity to all the people of Hawaii. The theme of a non-violent approach to social and political change is worthy of the recognition proposed by this bill.

Your Committee has amended the bill by deleting the word "celebration" before the word "commission" throughout the bill and made recommended changes in the composition of the Commission membership. It has also made a few nonsubstantive technical changes in accordance with recommended drafting style.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 1330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1330, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 176 Science, Technology and Economic Development on S.B. No. 1242

The purpose of this bill is to extend the authority of the public utilities commission (PUC) to investigate and cite persons engaging in unlawful public utility, motor carrier, and water carrier activity. The bill also specifies the fines and citation procedures to be used by the public utilities commission in its execution of its enforcement responsibilities.

Your Committee heard supporting testimony from the Public Utilities Commission and the Hawaii Transportation Association. With the proposed legislation, the Public Utilities Commission will be able to address the current problems of uncertified operators and enforce current laws. The proposed procedures for fines and citations are consistent with those used by the Department of Commerce and Consumer Affairs. There was no testimony in opposition of the bill.

Your Committee adopted the amendments recommended by the Public Utilities Commission for purposes of clarification.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1242, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 177 Agriculture and Environmental Protection on S.B. No. 825

The purpose of this bill is to provide funding for the promotion of pineapple.

Your Committee has amended this bill by changing the appropriation amount to ensure further discussion, and by removing the limitation of the promotion to the twenty-two western states and western Canada. Your Committee understands that the current promotion will be for fresh pineapple in areas to which it can be shipped quickly, however, your Committee feels that there is no need to limit the geographical area of the promotion in this bill. If the Department of Agriculture feels it necessary to limit the promotion, it can freely do so.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 825, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Levin.

SCRep. 178 Agriculture and Environmental Protection on S.B. No. 1506

The purpose of this bill is to establish a temporary advisory committee to study Oahu's fishponds and create a plan for a facility to exhibit a fishpond as a living Hawaiian aquaculture park.

Your Committee has amended this bill by changing the date for submission of the plan from May 31, 1991 to May 31, 1992.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1506, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Levin.

SCRep. 179 Transportation and Intergovernmental Relations on S.B. No. 353

The purpose of this bill is to establish a \$5 surcharge on every registration renewal for motorcycles, motor scooters, or similar vehicles. The funds collected from this surcharge are to be expended by the University of Hawaii Community College Employment Training Office for a drivers' education program for operators of motorcycles, motor scooters, or similar vehicles.

Your Committee received favorable testimony from the Department of Transportation, the Hawaii Motor Dealer's Association, and the University of Hawaii.

Your Committee finds that the bill is necessary to ensure that the State of Hawaii will have an adequate motorcycle operator training program.

Your Committee has amended this bill by deleting SECTION 3 which requests an appropriation of \$20,000.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 353, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 180 Transportation and Intergovernmental Relations on S.B. No. 354

The purpose of this bill is to appropriate \$150,000 in matching funds for fiscal biennium 1991-1993 for the planning, engineering and construction of curb ramps on Oahu.

Your Committee received supporting testimony from the City and County of Honolulu, the Commission on Persons with Disabilities, the Mayor's Committee for People with Disabilities, and private citizens, and finds that this project is essential to allow individuals with mobility impairments to access places of public accommodation, employment, transportation and business within our community.

Your Committee has amended the bill by appropriating a total of \$215,000 to reduce the backlog of curb ramps which exist. Also, SECTION 2 has been amended to provide that the city will not be given matching funds credit for additional funds it receives from federal and state agencies.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 354, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 181 Transportation and Intergovernmental Relations on S.B. No. 355

The purpose of this bill is to appropriate funds for the construction of the Koloa/Poipu Bypass, provided that the County of Kauai provides matching funds on a dollar for dollar basis.

Your Committee received supporting testimony from the Department of Transportation, the Office of the Mayor of the County of Kauai, and the Kauai County Council, and finds that this project will relieve the traffic congestion of the existing highway and service a major resort destination area.

Your Committee has amended this bill by providing an appropriation of \$3,805,000.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 355, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 182 Transportation and Intergovernmental Relations on S.B. No. 432

The purpose of this bill is to appropriate \$5,200,000, for fiscal year 1991-1992, for fire protection facilities and projects in the counties of Maui, Kauai, and Hawaii, and the City and County of Honolulu.

Your Committee received supporting testimony from the Department of Education, the Department of Labor and Industrial Relations, the Board of Water Supply of the City and County of Honolulu, and the Department of Water Supply of the County of Hawaii, and finds that it is imperative that substandard fire protection facilities be upgraded and improved.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 432 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 183 Transportation and Intergovernmental Relations on S.B. No. 1160

The purpose of this bill is to appropriate \$30,000 for fiscal year 1991-1992 to continue to promote international relations through trade and goodwill activities with Asian and Pacific area countries.

Your Committee finds that the State of Hawaii is taking an active role in promoting goodwill with Asian and Pacific area countries and should continue this important activity.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1160 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 184 Transportation and Intergovernmental Relations on S.B. No. 1226

The purpose of this bill is to require the county or the city council to notify the Department of Taxation of any county fuel tax changes within ten days after adoption of the resolution to change the tax.

Your Committee received favorable testimony from the Department of Taxation.

Your Committee finds that notifying the Department of Taxation of county fuel tax changes within ten days will provide the department more time to notify the public of county fuel tax changes and to revise the applicable tax forms as the tax change so dictates.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1226 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 185 Housing and Hawaiian Programs on S.B. No. 288

The purpose of this bill is to increase the amount of funds the Director of Finance is authorized to advance to the Homes Revolving Fund from \$145,000,000 to \$200,000,000.

Your Committee finds that this bill is an additional measure to assist the various programs in the effort to provide adequate and affordable housing to all residents of Hawaii.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 288 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 186 Housing and Hawaiian Programs on S.B. No. 333

The purpose of this bill is to appropriate \$50,000 for fiscal year 1991-1992 to be expended by the Housing Finance and Development Corporation to plan, develop and coordinate a conference to explore methods which the government can employ in working with the private sector to provide affordable housing.

Your committee finds that there is a need to inform interested parties about federal and state housing programs for lower income residents and to develop improved means of providing rental assistance through these government programs.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 333 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 187 Housing and Hawaiian Programs on S.B. No. 339

The purpose of this bill is to amend the definition of "qualified tenant" in the rent supplement program to permit persons receiving federal supplemental security income to receive rent supplements. The bill also contains an appropriation of \$300,000 for fiscal year 1991-1992 to be expended by the Hawaii Housing Authority to meet the cost of the increased rent supplements.

Your Committee received testimony revealing unanimous support for this bill from a substantial number of non-profit, private and government agencies.

Your Committee finds that the State's critical housing shortage and resulting high cost of rent places elderly, retired, disabled and others on fixed income at a greater disadvantage than other segments of the population.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 339 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 188 Housing and Hawaiian Programs on S.B. No. 520

The purpose of this bill is to appropriate \$350,000 for fiscal year 1991-1992, to be expended by the Hawaii Housing Authority for new weather canopies at Koolau Village on the island of Oahu.

Your Committee finds that new weather canopies are needed to preserve the structures and maintain the good appearance of Koolau Village.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 520 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 189 Health and Human Services on S.B. No. 140

The purpose of this bill as received is to merge the child abuse and neglect laws with the Child Protective Act and to allow release of medical records indicating that the person has AIDS, provided that the release is made to enforce the Child Protective Act, Child Abuse Law, or the Department of Human Services Rules.

Your Committee received testimony from the Department of Human Services in opposition to this bill. The Department has been actively involved in reviewing these laws and they have been strengthened in the past few years. The intent of the two statutes is different and consolidation would be confusing. Chapter 350 educates the public about child abuse law while Chapter 587 outlines the procedures used to protect children.

Your Committee, upon further consideration, has removed the provisions of this bill which would have combined the child abuse and neglect laws with the Child Protective Act. However, the provision for release of medical records is necessary for the Department of Human Services to meet its requirements and has therefore been retained.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 140, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 190 Health and Human Services on S.B. No. 252

The purpose of this bill is to mandate the Department of Health to test drinking water in water tanks located on residential property when requested to do so by the owner or lessee of the property. It would also permit the Department to charge a fee for the test.

Your Committee received testimony in favor of this measure from the Hawaii Medical Association.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 252 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 191 (Majority) Health and Human Services on S.B. No. 370

The purpose of this bill is to help protect health care workers from contracting Human Immunodeficiency Virus (HIV) by requiring all persons to be tested for HIV infection upon admittance to any hospital for surgery, obstetrics, or major trauma. Positive test results must then be disclosed to any personnel who may have, or may have had, contact with an infected patient.

Your Committee received testimony in support of this measure from the Federation of Physicians & Dentists.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 370 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
Senator B. Kobayashi did not concur.

SCRep. 192 Health and Human Services on S.B. No. 371

The purpose of this bill is to appropriate funds for the Commission on Persons with Disabilities to improve program capabilities and provide needed administrative support and supplies.

Your Committee finds that changes in both federal and state law have increased the civil rights of those with disabilities. Additional funding will help minimize future complaints and will increase access for persons with disabilities.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 371 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 193 Health and Human Services on S.B. No. 375

The purpose of this bill is to amend Chapter 42, Hawaii Revised Statutes (HRS), to streamline procedures for the review of the grants, subsidies, and purchase of service requests.

Specifically, this bill would prevent unnecessary delays in contract execution and payments, establish a mechanism for automatic review by the legislature of all requests that have been cut from the executive budget, and provide for the continuous review and amendment of the Chapter 42 process.

Your Committee strongly believes that the Legislature must assume a more active role in the Chapter 42 review process to ensure that needed programs are funded in a timely manner.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 375 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 194 Health and Human Services on S.B. No. 430

The purpose of this bill is to provide home-based services to infants and toddlers with special developmental needs and their families through a mobile unit or community site.

Your Committee finds that such services are a necessary and cost-effective method to insure early intervention for infants and toddlers who might otherwise experience difficulty in development and in parental interaction, and whose families may have trouble coping with the added costs and responsibilities of raising a developmentally disabled child.

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

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 430 as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 430, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 195 Health and Human Services on S.B. No. 480

The purpose of this bill is to establish a comprehensive program of mental health services for deaf and hard-of-hearing persons.

Your Committee received testimony in favor of this measure from the Department of Health, the Coordinating Council on Deafness, the Commission on Persons with Disabilities, and other agencies concerned with the rights of the deaf and hard-of-hearing.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 480 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 196 Health and Human Services on S.B. No. 486

The purpose of this bill is to provide funding, by purchase of service, for early intervention programs for troubled youth to provide counseling, guidance, and nurturing alternatives to youths for whom the category "criminal violators" is not appropriate.

Your Committee received testimony in support of this measure from the Windward Oahu District Superintendent of Schools, and a number of persons involved in the program which will supply the service.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 486 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 197 Health and Human Services on S.B. No. 542

The purpose of this bill is to support and enhance the nutrition education services provided by the Expanded Food and Nutrition Education Program to low-income residents in Hawaii.

Your Committee finds that nutrition education for low-income residents of Hawaii is a cost-effective, high impact service directed at enhancing nutrition and health. Improved nutritional status can decrease the cost of medical care related to chronic disease.

Your Committee received testimony in favor of this measure from the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Food Bank, the Hawaii Nutrition Council, individuals involved in the provision of food to those in need, and individuals who have been aided by these programs.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 542 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 198 Health and Human Services on S.B. No. 689

The purpose of this bill is to allow testing of a patient's blood without consent under meticulously defined circumstances to determine the presence of Human Immunodeficiency Virus.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, the Honolulu Police Department, and the Federation of Physicians & Dentists.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 689 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 199 Health and Human Services on S.B. No. 690

The purpose of this bill is to appropriate funds for non-medicaid services of the Nursing Home Without Walls and Personal Care programs.

Your Committee finds that both of these programs provide needed services to individuals who require the kind of care provided in an intermediate care or skilled nursing facility. These recipients are unable to qualify for Medicaid assistance and cannot afford the full cost of community-based services.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 690 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 200 Health and Human Services on S.B. No. 766

The purpose of this bill is to reduce the cost of health care services by extending the general excise tax exemption to include nonprescription drugs, medical equipment, and health care services provided by a licensed health care provider.

In addition, the bill repeals the medical services excise tax credit which is effective until December 31, 1991.

Your Committee finds that there is no substantial justification for the four percent excise tax on medical bills, and that the burden falls heaviest on those whose medical bills are the highest and on those with lower incomes.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 766 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 201 Health and Human Services on S.B. No. 1112

The purpose of this bill is to appropriate funds to implement the reforms to foster care recommended in a report prepared at the request of and funded by the 1989 Legislature.

Your Committee finds that Hawaii's system of foster care has many problems which must be remedied as soon as possible.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1112 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 202 Health and Human Services on S.B. No. 1119

The purpose of this bill is to provide funding to recoup the losses incurred during the implementation of deinstitutionalization of persons with mental retardation or developmental disabilities.

Your Committee finds that unless these funds are made available, a reduction in the current level of these much needed services appears inevitable.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1119 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 203 Health and Human Services on S.B. No. 1120

The purpose of this bill is to appropriate funds to provide outreach services to injection drug users and their sexual partners for the prevention of transmission of HIV.

Currently, there are an estimated 5,000 to 7,000 persons already infected with HIV in Hawaii, most of whom do not know that they are infected, and therefore may continue their high risk behavior. In addition, there are an estimated 6,000 to 10,000 injection drug users, most of whom are not in treatment.

Your Committee finds that outreach to injection drug users and their sexual partners has proven to be effective in helping these high risk persons.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1120 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 204 Health and Human Services on S.B. No. 1349

The purpose of this bill is to extend the Non-Medicaid Personal Care Program, administered by the Nursing Home Without Walls Program, by an additional four years and to adjust the ceiling placed on the Program to the amount authorized by the federal Health Care Financing Administration (HCFA).

Your Committee finds that since the federal HCFA sets annual ceilings on the Personal Care Services Program expenditures and the Program must comply with the federally approved ceiling, it would be unnecessary to have a separate state cost ceiling.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1349 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 205 Health and Human Services on S.B. No. 1351

The purpose of this bill is to establish the Randolph-Sheppard Fund to be funded by income from vending machines situated on federal, state, and county properties and from the newsvending concession at the Honolulu International Airport. This Fund will be used to establish and maintain a benefits package for blind vendors and for the maintenance and replacement of equipment used in the blind vending program.

Your Committee received testimony in support of this measure from the Department of Human Services and from Roxane Sasaki, the blind vendor at the State Capitol Snack Bar.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1351 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 206 Health and Human Services on S.B. No. 1354

The purpose of this bill is to repeal the workfare program.

Your Committee finds that the JOBS program serves the same primary target group and, because it allows for a federal match for many of the expenses that will be incurred in the delivery of these services, it is a more efficient and effective program to meet the needs of AFDC recipients that are striving to become financially self-sufficient.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1354 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 207 Health and Human Services on S.B. No. 1370

The purpose of this bill is to replace the term "venereal disease" with the more conventionally accepted term "sexually transmitted disease" in chapter 321, Part X, Hawaii Revised Statutes.

Your Committee finds that this change will augment the Department of Health's programs by broadening the terminology in keeping with contemporary circumstances. Your Committee further finds that this change in terminology will not alter existing Department procedures or workload.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1370 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 208 Health and Human Services on S.B. No. 1372

The purpose of this bill is to clarify the statutory authority for all Department of Health programs to bill third party payors for reimbursement.

Your Committee finds that maximizing available third party reimbursement is an executive priority and will therefore be expedited with passage of this legislation.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1372 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 209 Health and Human Services on S.B. No. 1410

The purpose of this bill is to appropriate funds for operating expenses for community hospitals for the current fiscal year ending June 30, 1991.

Your Committee finds that a critical funding emergency exists and that the community hospitals system will run out of appropriated funds before the end of the current fiscal year and the division will be unable to meet its fiscal obligations to operate its hospitals. This measure will insure that those obligations will be met and the reduction or discontinuance of services will be prevented.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1410 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 210 Health and Human Services on S.B. No. 1419

The purpose of this bill is to appropriate funds to establish a Catastrophic and Traumatic Emergency Response program on the island of Hawaii.

Act 239, Session Laws of Hawaii 1990, established the Catastrophic and Traumatic Emergency Response program to provide psychological assistance to persons and communities affected by catastrophic or traumatic emergency events. This bill would expand the program to the island of Hawaii.

Your Committee finds that research data on trauma caused by catastrophic events and emergencies clearly shows that efforts to provide psychological assistance to impacted citizens and emergency personnel significantly improve the restoration of personal and community functioning, and provide a more positive evaluation of government's ability to respond when needed.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1419 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 211 Health and Human Services on S.B. No. 1498

The purpose of this bill is to implement the concept of gap budgeting to provide financial incentive for Aid to Families with Dependent Children enrollees to participate in and remain in the JOBS program.

Your Committee has amended this measure by changing the expending agency to the Department of Human Services.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1498, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 212 Health and Human Services on S.B. No. 1573

The purpose of this bill is to raise the standard of need for financial assistance programs from 62.5 percent to 65 percent of the federal poverty level.

Hawaii has the second highest cost of living in the nation. Your Committee finds that by raising assistance payments, the State will be able to provide more opportunities for its citizens.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1573 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 213 Health and Human Services on S.B. No. 1612

The purpose of this bill is to expand the base of medicaid eligibility to 133 per cent of payment allowance, or eighty-three per cent of poverty.

Your Committee received testimony in favor of this measure from the Committee on Welfare Concerns.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1612 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 214 Health and Human Services on S.B. No. 1736

The purpose of this bill is to appropriate funds for the Waianae Adolescent Health Network.

Your Committee finds that for the past seven years, the Waianae Adolescent Health Network has effectively assisted the community in analyzing its needs and advocating for appropriate intervention strategies designed to prevent youth health

problems. However, funding for the Waianae Adolescent Health Network has been cut from the executive budget due to resource constraints.

Your Committee believes that this funding should be restored so that the the Waianae Adolescent Health Network can continue its efforts to improve the health, social, emotional, educational, and economic well-being of the youth of Waianae.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1736 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 215 Health and Human Services on S.B. No. 1775

The purpose of this bill is to appropriate funds to establish a pediatric immunology program to provide multidisciplinary, family centered, pediatric immunology services for HIV antibody positive and HIV antigen positive infants and children from birth to twenty-one years of age.

Your Committee finds that due to the growing number of children and infants infected with HIV and the complexity of the problems that arise, the health care needs of HIV infected children and infants must be managed by a single team that is in contact with the patient's primary care provider. Your Committee notes that this centralized management of care should not replace the general pediatric care provided by the child's primary physician, but should augment those general services with specialized care related to HIV, thereby ensuring that services to the child are complete and coordinated among several sources of care.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1775 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 216 Health and Human Services on S.B. No. 2112

The purpose of this bill is to provide funds for a grant-in-aid to The House, Inc. for home placement, project management, and case management services to consumers in three new agency homes to be purchased through HUD Section 202 loan mortgage funds set aside for that purpose.

The House, Inc. has been a major provider of residential and social rehabilitation services to Hawaii's citizens with mental illnesses since 1973, and has operated on the premise that all citizens should have the opportunity to live in, participate with, and contribute to their communities.

In 1989, The House, Inc. was awarded HUD Section 202 loan mortgage funds to acquire housing specifically for persons with serious mental illnesses. Your Committee finds that state funds for program services of The House, Inc. will complement this federal initiative, and add twenty beds to Hawaii's limited inventory for persons with psychiatric disabilities.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 2112 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 217 Consumer Protection and Business Regulation on S.B. No. 8

The purpose of this bill is to establish the Hawaii Fair Access Insurance Requirement (FAIR) Plan Association to assure the availability of basic property insurance to residents of the State.

It is well documented that insurance is generally unavailable to residents of the Big Island districts surrounding the ongoing Kilauea lava flow. The FAIR Plan Association addresses the needs of persons who have been unable to obtain basic property insurance through normal channels by forming a pool of insurance companies to provide residents with some form of coverage regardless of where they live.

Your Committee has adopted the recommendations of the Department of Commerce and Consumer Affairs by deleting the contents of this bill and inserting new language establishing the Hawaii Property Insurance Association. Similar to the FAIR Plan Association, the Hawaii Property Insurance Association (Association) will assure the availability of basic property insurance to all persons in the State. Specifically, the amendments provide that:

- (1) Members of the Association shall include all property and casualty insurers licensed in Hawaii to provide fire insurance and extended coverage for real and personal property;
- (2) The Association shall be an entity separate from the Insurance Division of the Department of Commerce and Consumer Affairs, but authorizes the Insurance Commissioner to retain substantial oversight of the Association;
- (3) The Association shall be governed by a board of directors;
- (4) The Association shall develop a plan of operation to set rates, underwriting standards, limits of liability, commission schedules, and procedures for handling applications and the investigation and payment of claims, such plan to be approved by the Insurance Commissioner;

- (5) The Insurance Commissioner shall designate the actual geographic areas within which properties will be eligible for coverage through the Association;
- (6) Insurance companies with policies in force in the area or areas designated by the Insurance Commissioner are required to continue to renew those policies; and
- (7) A premium charge of \$5.00 shall be assessed to all homeowners policies in the State to be paid to the Association for administrative expenses.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 8, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 8, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 218 Consumer Protection and Business Regulation on S.B. No. 23

The purpose of this bill is to allow a health care provider to apply to the Medical Claims Conciliation Panel for expungement of all records of proceedings related to a complaint that has been dismissed, and to require the panel to expunge all records if the complaint is found to be fraudulent or frivolous.

In addition, the bill prohibits an insurer from increasing rates for property and casualty insurance for health care providers on the basis of the filing of a complaint that is determined to be fraudulent or frivolous by the Medical Claims Conciliation Panel.

Your Committee finds that this measure will protect falsely accused health care providers.

Your Committee has amended this bill by requiring that a majority of the members of the Medical Claims Conciliation Panel determine whether the complaint is fraudulent or frivolous. In addition, your Committee made several technical, nonsubstantive amendments to correct drafting errors.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 23, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 23, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 219 Consumer Protection and Business Regulation on S.B. No. 1067

The purpose of this bill is to establish a temporary task force within the Department of the Attorney General to monitor and analyze oil industry data.

The Department of the Attorney General is conducting an ongoing investigation of gasoline pricing in Hawaii. The Department's preliminary report, issued in September 1990, stated that:

- (1) Gasoline markets in Hawaii are highly concentrated;
- (2) Barriers to the entry of new competition are extremely high at the refinery, terminal storage, and retail outlet levels of the markets;
- (3) Demand for gasoline in Hawaii is highly inelastic; and
- (4) Historically, wholesale gasoline prices in Hawaii have been above those in competitive markets by an amount substantially in excess of the price of transportation between those markets and Hawaii.

This bill will continue the Department of the Attorney General's investigation of gasoline prices by requiring the task force to determine:

- (1) Whether public storage facilities should be established;
- (2) Whether an oil industry excess profits tax should be adopted;
- (3) Whether uniform rules for measuring costs and other data should be adopted;
- (4) Ways to reduce concentration in Hawaii gasoline markets;
- (5) Ways to reduce entry barriers for new competition;
- (6) Whether oil companies should be prohibited from using exclusive dealing and tying arrangements; and
- (7) Ways to reduce oil companies' cost of doing business in Hawaii.

Testimony in support of this measure was received from the Department of the Attorney General and the Hawaii Automotive and Retail Gasoline Dealers Association.

Your Committee has amended this bill by requiring petroleum refiners and distributors to submit monthly reports to the Attorney General on all prices charged by the petroleum refiners and distributors, and providing that the data collected shall be made available to the public. In addition, your Committee has appropriated \$100,000 for each year of fiscal biennium 1991-1993 to enable the task force to carry out its duties.

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

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1067, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 220 Consumer Protection and Business Regulation on S.B. No. 1125

The purpose of this bill is to appropriate funds to support, augment, and improve the existing project to: (1) update, clarify, and strengthen the regulatory framework for financial institutions, and (2) to address issues related to expanded powers of financial institutions.

Testimony received from the Department of Commerce and Consumer Affairs indicated that Hawaii's laws in the area of financial institutions are among the oldest in the nation, and have been amended in a piece-meal fashion, sometimes without regard to other state or federal laws. As a result, many of our banking statutes are obsolete and ill-suited to meet new developments and emerging trends in the financial industry.

In light of the recent series of failures among financial institutions, deregulation of the industry, and continuing technological advances, it is imperative that changes to any banking laws balance the competitive flexibility and expanded powers required by financial institutions and the need to protect the public and preserve public confidence in the health of these organizations.

Act 128, Session Laws of Hawaii 1990, appropriated initial funds for the Department of Commerce and Consumer Affairs to commence a comprehensive review of the State's laws relating to financial institutions. Your Committee finds that this project is an enormous and very complex undertaking, and additional funds are needed in order to complete the project.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1125 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 221 Consumer Protection and Business Regulation on S.B. No. 1198

The purpose of this bill is to amend Section 26-9, Hawaii Revised Statutes, relating to the Department of Commerce and Consumer Affairs.

Specifically, this bill clarifies language regarding fees and licensing status, and provides the executive secretaries of boards and commissions with certain limited delegated authority.

Your Committee has amended this bill by adopting the recommendations of the Department of Commerce and Consumer Affairs to repeal references to the accrual of unpaid fees since the practice is archaic and a burden to licensees. Your Committee also made several technical, nonsubstantive amendments to correct drafting errors.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1198, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 222 Consumer Protection and Business Regulation on S.B. No. 1209

The purpose of this bill is to give the Commissioner of Financial Institutions statutory authority to hire an international banking specialist within the Division of Financial Institutions.

In addition, the bill makes housekeeping amendments to: (1) permit the Deputy Commissioner to act in the Commissioner's absence, and (2) clarify the title of the Commissioner.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1209 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 223 Consumer Protection and Business Regulation on S.B. No. 2055

The purpose of this bill is to appropriate funds to train mediators and arbitrators for international dispute resolution.

Testimony in support of this measure was received from the University of Hawaii Program on Conflict Resolution and the Office of International Relations.

Your Committee finds that educating and training mediators, negotiators, and arbitrators in alternative dispute resolution techniques and practices will help create a broad awareness of the problem-solving choices available in the resolution of international conflicts, and place Hawaii at the center of such activities in the Asia-Pacific region.

Your Committee has amended this bill by inserting an appropriation of \$75,000 for each year of fiscal biennium 1991-1993, and making a technical, nonsubstantive amendment for purposes of style and clarity.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 2055, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2055, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 224 Employment and Public Institutions on S.B. No. 454

The purpose of this bill is to appropriate \$500,000 for fiscal year 1991-1992 to be expended by the County of Maui on utility, site, and building improvements for the proposed Lanai Veterans' Cemetery.

Your Committee finds that the State needs more veterans' facilities such as the proposed Lanai Veterans' Cemetery and that this appropriation represents a proper expenditure of public money.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 454 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 225 Employment and Public Institutions on S.B. No. 617

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to the Office of Veterans Services for creation and development of a special medal of commendation honoring Hawaii's veterans.

Your Committee finds that it is appropriate to recognize and honor Hawaii's veterans who have contributed so much to their country and this State.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 617 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 226 Employment and Public Institutions on S.B. No. 736

The purpose of this bill is to appropriate \$54,500 for each year of the 1991-1993 fiscal biennium to enable the Office of Veterans' Services to assist Hawaii's veterans with pursuing claims with the United States Department of Veterans Affairs relating to education, rehabilitation, and service-related compensation and pensions.

Your Committee finds that the Office of Veterans' Services was established to carry out functions such as these and requires state funding in order to successfully carry out its mission.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 736 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 227 Employment and Public Institutions on S.B. No. 903

The purpose of this bill is to appropriate \$65,000 for fiscal year 1991-1992 as a grant-in-aid to the Military Affairs Council of the Chamber of Commerce of Hawaii to continue its civic contributions to the State.

Your Committee finds that the Military Affairs Council has been acting as executive agent between the public and private sectors on issues relating to infrastructure and quality of life for military and civilian communities and is therefore providing a valuable public service.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 903 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 228 Employment and Public Institutions on S.B. No. 1152

The purpose of this Act is to appropriate funds for fiscal year 1991-1992 to develop automated job evaluation systems for the Judiciary and the counties.

Specifically, the bill provides \$14,000 for the Judiciary and \$85,460, \$15,948, \$11,940, and \$7,652 for the City and County of Honolulu and Hawaii, Maui, and Kauai Counties, respectively.

Your Committee finds that the Job Evaluation System should be available to all branches of government.

Your Committee has amended this bill by changing the effective date to July 1, 1991, clarifying the expending agencies, and by making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1152, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 229 Employment and Public Institutions on S .B. No. 1542

The purpose of this bill is to provide a one-time, limited period early retirement bonus (incentive) to certain public employees with at least twenty years or thirty years of credited service who retire between June 30, 1991 and December 31, 1991.

This incentive, amounting to an additional six percent of the employee's maximum allowance, would be available to public employees at least fifty-five years old who have at least twenty years of credited service as a Class A or B (contributory) member of the Employees' Retirement System or at least thirty years as a noncontributory Class C member.

As of March 31, 1986 there were 46,106 employees enrolled in the Employees' Retirement System. Of these, approximately 2,000 were over fifty-five years old with more than twenty years of credited service, and about fifty noncontributory members had over thirty years. Nearly fourteen percent of all public workers are known to be of retirement age, regardless of years of credited service. This bill is intended to encourage public employees eligible for retirement to immediately do so in order to receive a significant increase in retirement pay.

Your Committee finds that this bill will increase opportunities for lower and middle level employees to advance in the public service by filling the vacancies created by the retirement of senior employees who take advantage of this incentive. In addition, this bill will benefit the State by reducing and limiting employee compensation costs without imposing forced reduction in staffing or jeopardizing the current level of employee productivity.

Your Committee has amended this bill by changing the incentive from six percent to an additional three years of credited service. It has also made a number of nonsubstantive amendments to conform the bill to recommended drafting style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1542, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 230 Employment and Public Institutions on S.B. No. 1608

The purpose of this bill is to appropriate \$1,029,000 for fiscal year 1991-1992 to be expended by the Office of Veterans' Services on various projects, facilities, and services for veterans on the Big Island of Hawaii.

Your Committee finds that expenditure of public moneys for the kinds of facilities and services listed in this bill is consonant with the mission of the Office of Veterans' Services. Therefore, this bill is considered to be in the public interest.

Your Committee has amended this bill by adding appropriations of \$150,000 for preliminary work on a veterans' cemetery in West Hawaii and \$35,000 for a new van for Hilo Veterans' Service. Your Committee has also made a technical change which has no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1608, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 231 Employment and Public Institutions on S.B. No. 1817

The purpose of this bill is to appropriate \$20,000 for fiscal year 1991-1992 to be expended by the Office of Veterans Affairs on an automobile for the Kauai Veterans Center Office.

Your Committee finds that state expenditures for veterans' facilities and services are in the public interest.

Your Committee has amended this bill by correctly identifying the expending agency as the Office of Veterans' Services and by making technical changes that have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1817, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 232 Employment and Public Institutions on S.B. No. 1918

The purpose of this bill is to appropriate \$374,472 for each year of the 1991-1993 fiscal biennium to be expended by the Department of Corrections to fund the Youth Development Project and continue its dissemination to Hawaii's public schools.

\$50,700 for each fiscal year would be earmarked to establish the Youth Development Project in the Puna District of the Big Island.

Your Committee finds that the Youth Development Project has successfully addressed school-related problems such as truancy and discipline and should be available throughout the State.

Your Committee has amended this bill by specifying the Department of Human Services as the expending agency to reflect new and impending realignment of authority in State government relating to youth. This appropriation will actually be expended by the Office of Youth Services.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1918, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1918, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 233 Employment and Public Institutions on S.B. No. 1977

The purpose of this bill is to establish a policy requiring public employers to provide reasonable accommodation to qualified persons with a disability.

"Reasonable accommodation" refers to an action or actions of an appointing authority in the State or county governments taken in order to enable an employee with a disability to perform essential activities in the public service in a reasonable manner. The bill also establishes a Reasonable Accommodation Fund to provide public employers with moneys to make reasonable accommodation, and replaces the word "handicap", as it appears in Section 78-2, Hawaii Revised Statutes, with the word "disability", in order to reflect current terminology.

Your Committee heard substantial testimony in favor of this measure and finds that it is appropriate to provide reasonable accommodation to public servants who otherwise would be unable or limited in their ability to provide services in the public interest. Your Committee further finds that this bill anticipates the federal "Americans with Disabilities Act of 1990", which is scheduled to take effect on July 27, 1992.

Your Committee has amended the bill by clarifying that public employers will be required to provide public accommodation whenever possible. In doing so, your Committee has generally rewritten SECTION 2 as follows:

- (1) Deleted the definition of "person with a disability;"
- (2) Provided that reasonable accommodation shall be made either on the initiative of the public employer or at the request of a qualified person with a disability;
- (3) Provided that the Reasonable Accommodation Fund shall be administered by the Comptroller and that money therefrom shall be allocated only if the public employer applicant is unable make a reasonable accommodation out of moneys currently at its disposal;
- (4) Authorized public employers to seek the technical assistance of any public agency with the expertise necessary to effect the reasonable accommodation;
- (5) Provided for annual reports to the Legislature on the use of the Fund; and
- (6) Clarified that the obligation to provide reasonable accommodation applies to the counties as well as the State.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1977, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 234 Employment and Public Institutions on S.B. No. 2121

The purpose of this bill is to appropriate \$300,000 for fiscal year 1991-1992 to be expended by the Department of Accounting and General Services as a grant-in-aid to the Kauai Veterans Council for furniture, equipment, and site development for the Kauai Veterans Center.

Your Committee finds that appropriations of public moneys for veterans' projects are in the public interest.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 2121 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 235 Agriculture and Environmental Protection on S.B. No. 808

The purpose of this bill is to appropriate funds for the construction of a feeds mill laboratory to enhance the participation of the local feeds research and production community.

Your Committee has amended this bill by changing the appropriation to \$1 for purposes of further discussion.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 808, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Reed.

SCRep. 236 Agriculture and Environmental Protection on S.B. No. 870

The purpose of this bill is to appropriate funds for the development of a germplasm collection center to ensure the maintenance of existing pedigree lines of SPF shrimp stocks for the continued development of the United States shrimp industry.

Your Committee has amended this bill by changing the appropriation to \$1 for purposes of further discussion.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 870, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Reed.

SCRep. 237 Agriculture and Environmental Protection on S.B. No. 1550

The purpose of this bill is to provide funds for the tropical fruit disinfestation facility.

Your Committee has amended the bill by changing the appropriation to \$3 for purposes of further discussion.

Your Committee has further amended the bill by changing the expending agency to the Department of Agriculture.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1550, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Reed.

SCRep. 238 Agriculture and Environmental Protection on S.B. No. 1623

The purpose of this bill is to provide funds for technical support, supplies, equipment, travel, and chemical analysis to examine soft and hard rot in taro crops, and for research on safe and effective herbicides.

Your Committee has amended the bill to remove the breakdown of expenditures for both items and provide only the total expenditure for each item.

Your Committee has also made nonsubstantive technical changes for the purpose of clarity and style.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1623, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Reed.

SCRep. 239 Agriculture and Environmental Protection on S.B. No. 2087

The purpose of this bill is to appropriate bond funds for the planning, designing, and construction of a marshalling and processing facility in the Keahole Agricultural Park.

Your Committee received testimony in support of this measure from the Board of Agriculture.

Your Committee has amended the bill by specifying that the funds for the plans and design shall be appropriated for fiscal year 1991-1992; and funds for equipment and construction for fiscal year 1992-1993.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 2087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2087, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Reed.

SCRep. 240 Education on S.B. No. 419

The purpose of this bill is to provide funds for the apprenticeship program at Honolulu Community College, University of Hawaii.

Your Committee believes that the work being performed by the Evolutionary and Biotechnology Departments of the University of Hawaii is important in helping us understand our environment and the many changes that occur within our precious native Hawaiian ecosystem.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 419 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 241 Education on S.B. No. 531

The purpose of this bill is to appropriate funds to the Department of Education to increase the base salary of room cleaners and adult supervisors from \$4 to \$6 per hour.

Currently, the Department of Education is facing a growing recruitment problem for classroom cleaners and adult supervisors for our public schools.

Your Committee believes that in order to attract and retain qualified individuals, maintain the health and safety standards of our schools, and enhance the learning environment of our classrooms, the base salaries of these workers must be increased.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 531 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 242 Education on S.B. No. 532

The purpose of this bill is to appropriate funds to provide teacher positions to reduce the student-teacher ratio in all public schools.

Your Committee strongly supports the concept of reducing class size and believes that reduction in the student-teacher ratio will significantly enhance the learning environment in Hawaii's public schools. Research has shown that class size has a direct relationship on student achievement and provides teachers with more opportunities to identify student learning needs and develop positive relationships with students and families.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 532 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 243 Education on S.B. No. 544

The purpose of this bill is to appropriate funds to expand the Parent-Community Networking Centers (PCNC).

Specifically, this bill will extend the PCNC program to 100 schools in the next fiscal biennium, and provide for the expansion of the training and support team to meet the heavy demand for parent education, training of volunteers, council development, and school staff development in the areas of family literacy, community-making processes, relationships, and partnerships.

PCNCs are designed to develop a sense of community in and among the home, classroom, school, and neighborhood. To date, 135 PCNCs have been established by the Department of Education at elementary, intermediate, and high school sites since 1985.

Achievements of the PCNCs include the establishment of a variety of programs such as tutoring programs, food and clothing centers, volunteer development, dialogue sessions, issues forums, homework centers, referrals to service providers, and workshops on subjects such as esteem building, drug problems, parenting, college/work opportunities, and communication skills.

Your Committee finds that parent-community involvement in education has a positive impact on school effectiveness regarding student achievement and esteem, and promotes a sense of community through the assessment of needs and interests, team planning, and implementation of programs at a grassroots level.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 544 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 244 Education on S.B. No. 1048

The purpose of this bill is to appropriate funds to the University of Hawaii to support the activities of the Office of Technology Transfer and Economic Development.

The Office of Technology Transfer and Economic Development was established at the University of Hawaii to facilitate the transfer of new technologies developed at the University to the private sector. Additionally, the Office supports the State's efforts in business and economic development, and encourages science and technology education in the State.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1048 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 245 Education on S.B. No. 1472

The purpose of this bill is to appropriate funds to the University of Hawaii for a masters degree program in public administration.

The University of Hawaii currently offers a fifteen credit Public Administration Graduate Program, and since its inception in 1984, more than 100 professionals have received a certificate from this program. Created to increase leadership resources in public service in the State, the program is directed primarily at individuals who are serving or desire to serve in government and nonprofit organizations.

Your Committee finds that Hawaii is the only state in the nation that does not have a graduate degree program in public administration or public affairs. Your Committee believes that a masters program in public administration at the University of Hawaii will greatly enhance the quality of public service in our State.

Testimony in strong support of this measure was received from the University of Hawaii and several graduates of the University's current public administration program. Your Committee notes that many of these graduates are interested in furthering their education by pursuing a masters degree in public administration.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1472 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 246 Tourism and Recreation on S.B. No. 809

The purpose of this bill is to provide funds to assist in the design and construction of a bike path and walkway makai of Kamehameha Highway from the entrance of Waimea Bay to the proposed City and County of Honolulu Waialea Beach Park.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 809 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 247 Tourism and Recreation on S.B. No. 1041

The purpose of this bill is to provide funds for the Hawaii Canoe/Kayak Team.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1041 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 248 Tourism and Recreation on S.B. No. 1053

The purpose of this bill is to require the Department of Land and Natural Resources to submit annual reports to the legislature on the status, use, and disposition of the wildlife revolving fund.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1053 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 249 Tourism and Recreation on S.B. No. 1092

The purpose of this bill is to appropriate funds for the 1991-1992 Hula Bowl.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1092 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 250 Tourism and Recreation on S.B. No. 1108

The purpose of this bill is to provide funds to assist Waimea YMCA in the planning and design of an exercise room and racquetball courts.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1108 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 251 Tourism and Recreation on S.B. No. 1161

The purpose of this bill is to appropriate funds for improvements to the children's wading pool at Launiupoko State Park at Lahaina, Maui.

Your Committee has amended the bill by correcting all occurrences of "Laniupoko" with "Launiupoko."

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1161, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 252 Tourism and Recreation on S.B. No. 1311

The purpose of this bill is to transfer certain state parks to the counties and certain county parks to the State in order to utilize the resources of each jurisdiction.

Your Committee received supporting testimony from the board off Land and Natural Resources and the City and County of Honolulu Department of Parks and Recreation.

Your Committee has amended the bill by removing from Section 2 line 22, Rainbow Bay State Recreation Area from the list of parks to be under the jurisdiction of the City and County of Honolulu.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1311, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 253 Tourism and Recreation on S.B. No. 1403

The purpose of this bill is to provide funds for a special marketing campaign to promote Hawaii's visitor industry during fiscal year 1990-1991

Your Committee heard supporting testimony from the Hawaii Hotel Association, Hawaii Chamber of Commerce, Department of Business, Economic Development and Tourism, and the Hawaii Visitors Bureau.

Your Committee has amended the bill by specifying the amount of the appropriation at \$6,000,000 for the purposes of this Act.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1403, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 254 Tourism and Recreation on S.B. No. 1607

The purpose of this bill is to provide funds to establish nature centers on the islands of Maui and Hawaii by the Hawaii Nature Center.

Your Committee heard supporting testimony from The Outdoor Circle and Department of Land and Natural Resources.

Your Committee has amended the bill as recommended by the Department of Land and Natural Resources to make the appropriation a grant-in-aid.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1607, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 255 Tourism and Recreation on S.B. No. 1908

The purpose of this bill is to provide funds for planning and construction of improvements to Kekaha Neighborhood Park.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1908 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 256 Tourism and Recreation on S.B. No. 1930

The purpose of this bill is to provide funds for the planning, design, and improvement of park and commercial fishing facilities at Pohoiki, Hawaii, to replace the Kalapana Black Sand Beach which was destroyed by a recent lava flow.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1930 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 257 Tourism and Recreation on S.B. No. 2132

The purpose of this bill is to provide funds to assist Destination Hilo in its efforts to stimulate tourism activity to East Hawaii.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2132 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 258 Agriculture and Environmental Protection on S.B. No. 773

The purpose of this bill is to provide funds for a study to determine whether current facilities of the Hilo Coast Processing Company and Hamakua Sugar Company would be suitable to convert into burnable waste recycling areas.

Your Committee has amended the bill by specifying the appropriation to be \$225,000, and by designating the Department of Business, Economic Development, and Tourism to do the study.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 773, as amended herein, and recommends that it pass Second reading in the form attached hereto as S.B. No. 773, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 259 Agriculture and Environmental Protection on S.B. No. 1408

The purpose of this bill is to mandate the department of health and each county to consider solid waste management and processing methods including source reduction, recycling and bioconversion, incineration with energy recovery, and landfilling and incineration without energy recovery.

Your Committee has amended this bill by removing the provision that the department of health use guidelines rather than administrative rules to detail the intent of the chapter. Your Committee finds that written guidelines are not the appropriate vehicle for implementing a statute. Guidelines are only subject to internal review within the departments. Such internal review does not offer the public and other interested parties input into the process of making rules. Rule-making, while an involved process, produces a more coherent product.

Upon further consideration, your Committee has also amended the bill by appropriating \$722,000 for the fiscal biennium 1991-1993 to conduct an annual statewide household hazardous waste collection project, including the hiring of one full-time employee to oversee the project and to provide technical assistance and advice to the counties.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1408, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 260 Science, Technology and Economic Development on S.B. No. 94

The purpose of this bill is to establish two new refundable income tax credits for taxable years beginning after December 31, 1991 and to expire after December 31, 1996. The first credit provides income tax credit for a telework center with qualified telecommunications equipment and appurtenances used to establish a telework center. The second credit (deleted as amended) applies to the capital cost of establishing a child care facility for the children of the taxpayers' employees. It requires that the taxpayer employ more than 100 employees in the State.

The bill was supported by GTE Hawaiian Tel, and two private citizens on the basis of reduced traffic, improving quality of life, providing employment opportunities for the physically disabled, and higher employee productivity and job satisfaction. The Department of Transportation supported the intent of the bill, but deferred to the Department of Taxation as to the financial impact of the bill. The Department of Taxation opposed the bill and contended that the tax credits are not needed due to current tax provisions. In addition, the current state budget concerns were noted. However, the Department of Taxation has participated in a telework project with high employee satisfaction.

Your Committee adopted recommendations to amend the bill with respect to specific qualification and limits of the telework center tax credit as follows:

- (a) Deletion of lines 3 and 4 on page 3 to remove the specification of commuting time;
- (b) Revision of seventy-five per cent to sixty per cent on line 8, page 3 which would allow an employee to telecommute 3 out of 5 days;
- (c) Revision of \$3,000 on line 17, page 3 to \$8,000 as a more reasonable cost for computer equipment;
- (d) Deletion of the word "amounts" on page 3, line 15 and substituting "equipment and installation costs" for clarification; and
- (e) Deletion of the child care tax credit provision on page 5, to address the concern expressed by the Department of Taxation.
- (f) Addition of a provision on page 1, line 14 to specify the amount of the tax credit to be 100 percent if the telework equipment and appurtenances is to be used by a handicapped person. Telework stations for the handicapped are exempted from the qualifications for telework stations in subsection (d).

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 94, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 94, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 261 Science, Technology and Economic Development on S.B. No. 99

The purpose of this bill is to create a renewable energy research special fund where a portion of the state fuel taxes collected shall be deposited, to be used for research, development and demonstration projects concerning renewable energy resources.

Your Committee heard testimony in support of the bill from the Sierra Club and the University of Hawaii's School of Ocean & Earth Science and Technology. Opposing testimony was presented by the Department of Taxation.

Your Committee amended the bill as recommended by the Department of Business and Economic Development to clarify that qualifying projects should have the potential to replace the need for imported fossil-based liquid fuels.

Your Committee also reduced the rate of tax imposed on all fuels.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 99, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 99, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 262 Science, Technology and Economic Development on S.B. No. 391

The purpose of this bill is to make an appropriation to the University of Hawaii of an unspecified sum, to continue research on the production, storage, and use of hydrogen as an alternative to fossil fuels.

Your Committee heard testimony in support of this measure from the University of Hawaii's School of Ocean and Earth Science and Technology, and the Department of Business and Economic Development.

The chemical element hydrogen is considered by many scientists to be the best alternative to fossil fuels, for the world's transportation, industrial, and domestic energy needs. Hydrogen is an abundant, renewable, and non-polluting fuel. Fossil fuels in contrast are limited and contributes to air, land, and water pollution. However, difficulties with the economic, technical, and storage aspects of hydrogen production has prevented it from being a widely used fuel.

The University of Hawaii is acknowledged to be at the "cutting edge" of hydrogen production and storage research, especially in the areas of biomass for hydrogen production, in biotechnology, photoelectrochemistry, material sciences, and synthesis of novel new compounds for hydrogen storage. Further research by the University will yield important contributions that will hasten the day that Hawaii and the world will be using hydrogen for most of its energy requirements.

Your Committee is convinced that hydrogen is the fuel of the future and finds that an appropriation to the University of Hawaii is necessary to further research. Your Committee amends the bill by appropriating \$400,000 for continuing research. Federal funds are available for matching purposes.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 391, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 263 Science, Technology and Economic Development on S.B. No. 832

The purpose of this bill is to make appropriations totaling \$462,000 for the promotion and development of the Hawaii fashion industry. The bill appropriates \$302,000 for fiscal year 1991-1992, to be matched by the Hawaii Fashion Industry Association for various industry promotions. \$160,000 is appropriated in fiscal year 1991-1992 to the Department of Business, Economic Development, and Tourism for the production of State sponsored promotion and development activities.

Your Committee heard testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Hawaii Fashion Industry Association, and from many local garment industry representatives.

The fashion industry is an important component of the State's economy. It employs 4,200 employees, with an annual payroll of over \$43,000,000 and with a wholesale value of shipments of over \$164,000,000. It is the State's fourth largest merchandise exporter following sugar, pineapple, and fuel shipments.

Most of the State's apparel manufacturers are small and medium-sized companies which need assistance to develop new markets and expand sales. The Department of Business, Economic Development, and Tourism has, and is currently actively participating in promoting the industry, having been appropriated \$120,000 for fiscal year 1989-1990 for the requested promotional activities.

The Hawaii Fashion Industry Association testified that the requested \$462,000 will cover its promotions needs for fiscal biennium 1991-1993. The Department testified that its 1991-1993 Executive Biennium Budget is already requesting \$66,360 in fiscal year 1991-1992 and \$72,678 in fiscal year 1992-1993 to promote the State's fashion industry. Therefore, your Committee has amended the bill by reducing the requested appropriation by the amounts already in the Executive Budget and by splitting the appropriation that requires a match into fiscal years 1991-1992 and 1992-1993. Your Committee has also amended the bill by deleting the line item appropriation breakdown in the bill and in its place lumped the appropriation together. This will give the Department greater flexibility in the administration of the funds and programs.

Your Committee finds that providing funding support to the Hawaii fashion industry's market, research and promotion activities is necessary to maintain the industry's competitiveness.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 832, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 264 Science, Technology and Economic Development on S.B. No. 867

The purpose of this bill is to create a task force to evaluate the need and the means to establish a museum in the state that would specialize in the development, present state and future of science and technology in Hawaii.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Bishop Museum, and the Association of Science and Technology Centers.

Hawaii's unique location and environment makes the State a natural choice for science and technology related industries. Additionally, in order to deal with our growing concerns relating to the environment a better understanding of technology, industry, and science is required. Unfortunately as assessed by the Bishop Museum, the State's residents, especially its children, have had limited opportunity to develop their understanding of science and math.

A museum of science and technology, could become a valuable resource in fostering the understanding of the role of science and technology in today's society, directing students to enter the fields of science and technology and also serve as a potential visitor attraction.

Your Committee finds that it is worthwhile to investigate the need for and the means of establishing a Hawaii Museum of Science and Technology.

Your Committee has amended the bill based on the recommendation of the Department of Business, Economic Development, and Tourism, to have the Bishop Museum instead of the Department, take the lead role in establishing the task force and conducting the investigation. Your Committee has also amended the bill based on information provided by the Bishop Museum, by reducing the requested appropriation from \$100,000 to \$9,000.

Your Committee has further amended the bill by specifying the members of the task force to include leaders from science, industry, technology, education, government, and the museum profession.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 867, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 265 Science, Technology and Economic Development on S.B. No. 1596

The purpose of this bill is to lower the costs and encourage the development of alternate energy power facilities by excluding amounts received from the lease of alternate energy power plant equipment from the general excise tax.

Your Committee heard testimony from the Department of Business, Economic Development, and Tourism, Puna Geothermal Venture and Amfac/JMB Hawaii, Inc. Exempting lease rents for alternate energy power plant equipment from the general excise tax would reduce the cost of equipment. In large alternate energy projects, a common practice is the use of leveraged lease arrangements for financing of the project. This type of financing differs from the usual lease in that the lease payments represent repayment of principal and interest. The usual lease payments represent rental of the equipment or asset. Since the payments under a leveraged lease transaction are repayments of principal and interest and not rental income, these repayments should not be subject to the State general excise tax.

Your Committee received opposing testimony from the Department of Taxation and the Tax Foundation of Hawaii. Although there is no argument on the encouragement of alternate energy sources, there are concerns on grounds of fairness and equity of exempting the general excise tax for lease of alternate energy equipment where other persons engaged in the same business activity of leasing are subject to the tax.

Your Committee amended this bill on page 2, line 6, to limit the exemption of the general excise tax for leasing of alternate energy equipment to alternate energy power plant equipment to generate electricity through the use of geothermal power. Section 2 of the bill on page 10 is also amended to reflect the limitation to equipment used to produce geothermal power.

Your Committee on Science, Technology & Economic Development is in accord with the intent and purpose of S.B. No. 1596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1596, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 266 Science, Technology and Economic Development on S.B. No. 1730

The purpose of this bill is to appropriate funds for the Pacific International Center for High Technology Research to coordinate and lead a team of local public and private organizations in the design and development of high-impact interactive multimedia technology applications for the State.

Your Committee heard testimony in support of this measure from the Department of Business, Economic Development and Tourism, the Pacific International Center for High Technology Research, and a researcher from the University of Hawaii's HyperMedia Lab.

Interactive multimedia technology (IMT) is a communications tool that combines text, graphics, animation, full motion video, high-fidelity audio, and intelligent computer control into an information presentation system. The closest real life analogy to IMT is a Nintendo video game which combines commands from the player, text messages, animation and high-fidelity sound to efficiently convey information, knowledge and enjoyment to the player. IMT combines the distinct communication media as video, graphics design, audio, and others to produce a multi-sensory pathway that allows information to be communicated from the IMT terminal to the user and queries and directions from the user back into the terminal. The HyperMedia Lab at the University of Hawaii is a leader in IMT research and has developed several medical and health related IMT applications.

Your Committee recognizes that IMT technology can be used by the state to effectively disseminate important high-impact public informational messages to its citizens and visitors. Specific high-impact applications for IMT include: promoting Hawaii as a place to do business; promoting film, high technology and visitor industries; and developing education and training tools.

Your Committee finds that there is not one complete, fully integrated IMT company in the State, that can produce and develop the type of high impact IMT applications that is desired. Your Committee further finds that a consortium of private and public organizations organized and led by the Pacific International Center for High Technology Research would be the best means of integrating and developing high-impact IMT applications and technologies. In providing the developmental infrastructure for IMT the State can become a leader in the IMT industry.

Your Committee, upon further consideration, has amended the bill by reducing the appropriated amount on page 2 of the bill from \$800,000 to \$311,000 and reducing the sum on page 3 from \$650,000 to \$289,000.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1730, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 267 Science, Technology and Economic Development on S.B. No. 1798

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$1,300,000, or so much thereof as may be necessary, for fiscal year 1991-1992 to complete the incubator communications system, cabling, interior walls, uninterruptible power supply, and landscaping for the Manoa Innovation Center.

Further, the purpose of this bill is to appropriate for fiscal year 1992-1993, the sum of \$1,666,000, or so much thereof as may be necessary, to complete the 6,000 square foot building wing, including the wet laboratory, for the Manoa Innovation Center.

Your Committee received supporting testimony from the University of Hawaii, the Pacific International Center for High Technology Research, and the High Technology Development Corporation.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1798 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 268 Science, Technology and Economic Development on S.B. No. 1998

The purpose of this bill is to apply the same energy income tax credit under section 235-12 (income tax) to chapter 241 (taxation of banks and financial corporations), effective for taxable years beginning after December 31, 1990.

Your Committee heard supporting testimony from the Department of Taxation, Hawaiian Electric Company, Inc., and GECC Financial Corporation. Written testimony in support was also received from Northstar Pacific, Inc. A number of equipment lessors in the State of Hawaii are subject to the Chapter 241 franchise tax rather than the corporate income tax under section 235-12. As a result they are not eligible to take advantage of Hawaii's energy tax credits. When financing energy efficient water heating equipment for condominiums and other non-profit or charitable organizations, the bill will permit equipment leases to have lower monthly lease payments and this will enable many such organizations to justify the installation of these energy conservation devices in their facilities, thus, helping to decrease Hawaii's dependence on imported oil. The provisions of the bill represent equitable tax treatment and are consistent with the capital goods tax credit.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1998 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 269 Consumer Protection and Business Regulation on S.B. No. 899

The purpose of this bill is to amend the laws relating to insurance premium taxes.

Specifically, this bill proposes to:

- (1) Change the deadline for authorized insurers to file their annual tax statement with the Insurance Commissioner from March 16 to March 1;
- (2) Provide a uniform tax rate of 3.3 percent of the gross premiums received from insurers for all insurance except life and ocean marine contracts;
- (3) Provide a uniform tax rate of 2.2 percent of the gross premiums received from insurers for all life insurance contracts;
- (4) Authorize tax credits for insurers for insurance examination fees, real estate taxes on an insurer's principal insurance office in the State, and excise taxes not exceeding 0.3 percent of an insurer's gross premiums;
- (5) Change the deadline for filing taxes from March 15 to March 1; and
- (6) Provide for insurers whose annual tax liability is more than \$1,000 to pay taxes on a quarterly basis, and that the amount of each quarterly payment shall be twenty-five percent of the tax liability.

Currently, insurance companies are exempt from paying general excise and net income taxes. In lieu of these taxes, a tax on the gross premiums received is imposed as provided under section 431:7-202, Hawaii Revised Statutes. In addition to being lower than the combined general excise and net income tax rates, the multiple insurance premium tax rate structure is currently under litigation. To date, approximately fifty-five insurance companies have brought suit, claiming that the rate differential is unconstitutional.

Your Committee has amended this bill by leaving the effective date blank, and making certain technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 899, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 270 Consumer Protection and Business Regulation on S.B. No. 1168

The purpose of this bill is to provide a uniform licensing process for the various professions and vocations regulated by the State.

Currently, the Department of Commerce and Consumer Affairs regulates approximately forty-four professions and vocations. This bill encompasses fundamental areas relating to licensing including the organization of boards and commissions, powers and duties of the licensing authority, the application process, licensee reporting requirements, licensing sanctions, and civil and criminal sanctions.

Your Committee finds that a uniform licensing process will ensure consistency and reasonableness in the regulation of professions and vocations and enhance the protection already afforded consumers by existing regulatory statutes.

Your Committee has amended this bill by adopting the recommendations of the Department of Commerce and Consumer Affairs by:

- (1) Deleting the provision allowing for a fine of forty percent of the total contract price if the price is more than \$1,000 for a first offense; and
- (2) Providing leeway for persons who inadvertently fail to renew a previously existing license.

Your Committee has also made several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1168, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 271 Consumer Protection and Business Regulation on S.B. No. 1213

The purpose of this bill is to amend the laws relating to and collection and payment of restitution to consumers.

Specifically, this bill: (1) removes unnecessary restrictions on the court in ordering restitution to injured consumers; (2) allows the Office of Consumer Protection to establish and maintain an account to hold and disburse moneys received or recovered that are due to consumers as restitution; and (3) allows the Director of the Office of Consumer Protection to assign a portion of any restitution judgment to a consumer.

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

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1213, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 272 Housing and Hawaiian Programs on S.B. No. 1433

The purpose of this bill is to appropriate funds for the development of a Farmers Resource Center. The funds for fiscal year 1991-1992 will be expended by the Department of Hawaiian Home Lands through a contract with Anahola Hawaiian Land Farms Association.

Your Committee finds that diversified agriculture and promoting Hawaiian agricultural products to consumers are elemental parts of the State's future.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1433 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Fernandes Salling.

SCRep. 273 Housing and Hawaiian Programs on S.B. No. 177

The purpose of this bill is to appropriate \$44,000 for fiscal year 1991-1992, to be expended by the Department of Hawaiian Home Lands to subsidize the agricultural quantity rate of the Anahola Hawaiian Homes farm lots.

Your Committee finds that to ensure a sufficient supply of water for successful farming of Anahola Hawaiian Homes farm lots, it is necessary to subsidize the cost of irrigation.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 177 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 274 Housing and Hawaiian Programs on S.B. No. 424

The purpose of this bill is to appropriate \$100,000 for fiscal year 1991-1992 to be expended by the Department of Hawaiian Home Lands to purchase equipment for maintenance of the Anahola farm lots.

Your Committee finds that more resources are needed to allow effective development and maintenance of the Anahola farm lots.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 424 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 275 Tourism and Recreation on S.B. No. 1652

The purpose of this bill is to provide funds to assist in the organization and hosting of a Pacific Basin Tourism Conference.

Your Committee notes a typographical error in the title of the bill relating to the year of the conference and wishes to make clear that its intent is to approve the appropriation although the conference may take place in 1992. The title has been amended to correct the error and the bill is being resubmitted for passage on First Reading to remove any question regarding compliance with constitutional requirements.

Your Committee has also amended this bill by changing the fiscal year that the appropriation is effective from 1991-1992 to 1992-1993 and by changing the expending agency from the Department of Accounting and General Services to the Office of International Relations.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1652, as amended herein, and recommends that it pass First Reading in the form attached hereto as S.B. No. 1652, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 276 Consumer Protection and Business Regulation on S.B. No. 1714

The purpose of this bill is to make general amendments to Article 3 of the Uniform Commercial Code (UCC) relating to negotiable instruments and Article 4 relating to bank deposits and collections.

This bill amends the laws relating to the issuance and payment of instruments, the negotiation, transfer of possession, and endorsement of instruments, the enforcement of instruments, liability of parties, and dishonored instruments. Relatedly, the bill conforms applicable provisions of the UCC relating to bank deposits and collections.

Your Committee finds that the amendments proposed in this bill are necessary to provide for the continued effectiveness of negotiable instruments and the banking system.

Your Committee has amended this bill by deleting the effective date.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1714, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 277 Consumer Protection and Business Regulation on S.B. No. 1625

The purpose of this bill is to establish the Product Liability Act of 1991.

This bill does not set limits on the amount a party injured by a product may recover, nor does it affect joint and several liability or revise standards of professional malpractice. However, it does establish general, readily understandable guidelines which will help the courts handle lawsuits relating to injuries allegedly caused by a faulty product, and will enable the general public to better understand the principles of product liability.

Your Committee finds that this bill presents a sensible, clear approach to a difficult subject and merits further consideration.

Your Committee has amended this bill by making several nonsubstantive technical changes for the purposes of style and conformance with recommended drafting technique.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1625, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 278 Consumer Protection and Business Regulation on S.B. No. 1914

The purpose of this bill is to amend the laws relating to insurance premium taxes.

Specifically, this bill proposes to:

- (1) Provide a uniform tax rate of 4.2 percent of the gross premiums received from insurers for all insurance except life, title, and ocean marine insurance contracts;
- (2) Provide a uniform tax rate of 3.2 percent of the gross premiums received from insurers for all life insurance contracts;
- (3) Provide a uniform tax rate of 4.2824 percent of the gross premiums received from insurers for all title and surety insurance contracts;
- (4) Authorize the payment of taxes by certain insurers to be made quarterly if their tax liability for the previous year was more than \$1,000, and provide for a method of calculating taxes to be paid;

- (5) Authorize the payment of taxes by certain insurers to be made on March 15 if their tax liability for the previous year was less than \$1,000;
- (6) Allow tax credits for all insurers except ocean marine insurers for contributions to the State unemployment compensation fund, workers' compensation fund, temporary disability insurance, group life insurance plan, stock bonus, pension, profit-sharing or annuity plan that meets federal Internal Revenue Code requirements, prepaid health and dental insurance, income taxes paid for persons employed in this State, and examination fees;
- (7) Provide that the total dollar amount of tax credits shall not be more than 1.2 percent of the gross premiums taxed; and
- (8) Establish tax recordkeeping and reporting requirements for insurers.

In the event that any of the provisions listed above are declared invalid, the bill additionally provides for the following:

- (1) A uniform tax rate of 3.8 percent on the gross premiums received from insurers for all insurance except life and ocean marine insurers; and
- (2) A uniform tax rate of 2.9 percent on the gross premiums received from insurers for all life insurance contracts.

Finally, the bill provides for the refund of excess taxes paid, requires insurers to submit a rebate plan to the Insurance Commissioner for the return of refunds to Hawaii residents, requires any portion of a refund not distributed pursuant to an approved rebate plan within two years to be placed in the State general fund, requires the reduction of certain premium rates in the amount realized as a tax reduction, and provides for the refund of any taxes or fees paid in error if a request for refund is made within three years of the date of payment.

Your Committee has amended this bill by deleting the effective date, and making several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1914, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 279 Consumer Protection and Business Regulation on S.B. No. 1543

The purpose of this bill is to amend the laws relating to cable television.

Specifically, this bill defines access organization as any nonprofit organization established to oversee the development, operation, supervision, management, production, or broadcasting of programs for any cable franchise established under chapter 440G, Hawaii Revised Statutes. In addition, the bill exempts access organizations from incurring any liability arising from any program not created by the access organization that is broadcast on any cable channel.

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

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1543, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 280 Education on S.B. No. 425

The purpose of this bill is to provide funds to establish the Challenger Center, to commemorate the Challenger spacecraft.

Your Committee has amended the bill by appropriating \$5,000 for fiscal year 1991-1992 for plans for the Center and \$78,000 for fiscal year 1992-1993 to establish and promote the Center.

Your Committee finds that the proposed Challenger Center will commemorate the accomplishments of the Challenger space shuttle and Hawaii astronaut Ellison S. Onizuka, a crew member of the Challenger.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 281 Education on S.B. No. 621

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Department of Education for salaries of teachers who move from Class VI to Class VII pursuant to amendments made to Section 297-31.1, Hawaii Revised Statutes, by Act 296, Session Laws of Hawaii 1990.

Act 296 enables teachers with five acceptable years of college education and sixty-six additional credits approved by the Department to move into the higher pay grade which previously was limited to Ph.D's.

Your Committee finds that this bill is necessary to carry out the policy established by Act 296 and will also help to attract and retain quality educators through material recognition of their efforts to excel in their chosen fields.

Your Committee has amended this bill by inserting the sums of \$3 million and \$4 million as the appropriations for fiscal years 1991-1992 and 1992-1993, respectively. Your Committee has also made a technical change that has no substantive effect.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 621, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 282 Education on S.B. No. 626

The purpose of this bill is to provide for the implementation of a school/community-based management program that allows public schools to be governed, managed, administered, and operated at the local level.

In addition, the bill establishes a new part relating to funding and expenditures that:

- (1) Exempts schools from the quarterly allotment requirements provided in Chapter 37, Part II, Hawaii Revised Statutes;
- (1) Allows schools to expend allotted funds without regard to the classifications of expenditures prescribed in Section 37-38, Hawaii Revised Statutes; and
- (2) Authorizes SCBM schools to hire temporary school personnel without restrictions as long as they remain within their fiscal allotments.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 626 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 283 Education on S.B. No. 627

The purpose of this bill is to provide funds to assist in the establishment of a master's degree program at the Spark M. Matsunaga Institute for Peace, including the hiring of necessary staff.

Your Committee finds that the Master of Peace and Conflict Resolution (MPCR) program is a timely project. It is designed to prepare graduates for work dealing with problems of peace and conflict, distinguished by its focus on professional practice. The program's strength will be based on its sustained working relationships with agencies outside the University that are concerned with issues of peace and conflict resolution. Your Committee further finds that with such a program in place, the dream of world peace may become one step closer to reality.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 627 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 284 Education on S.B. No. 631

The purpose of this bill is to provide funding for the Office of Technology Transfer and Economic Development (OTTED) at the University of Hawaii.

Specifically, this bill provides for the deposit of twenty-five percent of indirect overhead funds generated from the University's extramural research and training projects into the discoveries and inventions revolving fund on an annual basis, for the purpose of providing long term support for the ongoing programs of the OTTED.

Your Committee has amended this bill by increasing the current amount of indirect overhead funds deposited into the University's research and training revolving fund from fifty percent to sixty-two percent, and providing for the deposit of four percent of indirect overhead funds into the discoveries and inventions revolving fund. In addition, your Committee has added a provision that terminates the OTTED allotment at the end of fiscal year 1995-1996.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 285 Education on S.B. No. 636

The purpose of this bill is to exempt the State from county restrictions relating to public school projects financed through the State Educational Facilities Special Fund, as provided in Section 36-32, Hawaii Revised Statutes.

The Department of Education testified that this exemption will give the Department the flexibility to proceed with its critical capital improvement program within budget limitations by reducing the cost of projects by as much as 18 percent. Your Committee notes that the Department will continue to comply with federal, State, and county ordinances on rules for infrastructure requirements that are vital to a school's needs and operations. This bill will allow flexibility to defer off-site infrastructure requirements that may not have any immediate impact and will add significant cost to the projects.

Your Committee has amended this bill by clarifying the exemption to include all ordinances or rules relating to off site infrastructure requirements, and has made a technical, nonsubstantive amendment for purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 636, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 286 Education on S.B. No. 640

The purpose of this bill is to appropriate funds for the construction of a community library in Kohala on the island of Hawaii.

Your Committee has amended this bill by appropriating \$400,000 for fiscal year 1991-1992 for the plans, design, and site selection of the community library, and \$3,700,000 for fiscal year 1992-1993 for the construction of the library facility.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 640, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 287 Education on S.B. No. 695

The purpose of this bill is to purchase a replacement training vessel for the expansion of services provided by the Kailua High School boating program.

Established in 1980, the Kailua High School boating program has become an important and popular component of the high school's Marine Science curriculum. The goals of the program are to provide students with:

- (1) A basic understanding of boating safety and seamanship;
- (2) Boating experience in order to gain knowledge about the fisheries industry, conservation, and environmental issues; and
- (3) Experiences that will encourage them to explore careers in boating and related fields.

As an island state, your Committee believes it is necessary to promote the importance of safety on boats and in the ocean, as well as support the enrichment and advancement of the Marine Science curriculum in our schools.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 695 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 288 Education on S.B. No. 854

The purpose of this bill is to provide funds to the University of Hawaii for one full-time faculty position at the University's Industrial Relations Center to teach and research critical economic problems currently facing the State.

Your Committee heard testimony in favor of this bill from the University of Hawaii-Manoa, the ILWU, ITT Sheraton, and C. Brewer and Company, Ltd.

Your Committee finds that changes in the workforce and international politics, as well as advances in technology, will have a profound effect on the economic problems faced by the State. This bill will allow the Industrial Relations Center to examine critical issues including job dislocation, child care and family leave, the labor shortage problem, and the resolution of labor-related disputes.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 854 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 289 Education on S.B. No. 871

The purpose of this bill is to provide funds for five positions in biofuels technology, materials applications, open ocean mariculture systems, tropical coastal ecosystems and nutrient chemistry.

Your Committee finds that the exclusive economic zone surrounding Hawaii has great potential for enhancing the economic productivity of the State. While there are several hundred positions at the University of Hawaii for research, none is specifically identified for ocean resource technology and fewer than one percent for energy.

Your Committee finds that this bill will allow the University of Hawaii to establish five positions related to ocean and energy resources, allowing them to better explore the many possibilities available to the State.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 871 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 290 Education on S.B. No. 1040

The purpose of this bill is to provide funds for the apprenticeship program at Honolulu Community College, University of Hawaii.

Your Committee believes that by offering an apprentice training program, future workers will be able to stay in Hawaii instead of being forced to go abroad to gain needed experience, and the number of qualified, trained persons in the construction industry will increase.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1040 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 291 Education on S.B. No. 1427

The purpose of this bill is to provide funds for the proposed Kalakaua Marine Education Center.

Water is one of the basic necessities of life. As an island state, this fact is even more evident. The people of Hawaii depend heavily on the ocean for employment and recreational purposes. Your Committee believes that establishment of the Center will contribute significantly to helping students prepare and learn about opportunities in Hawaii's expanding marine industry.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1427 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 292 Education on S.B. No. 1473

The purpose of this bill is to appropriate funds to plan and conduct public forums for debating the issue of governance of Hawaii's public school system.

Your Committee has amended this bill by deleting its contents and inserting new substantive material to establish a task force to promote public debate, solicit input, and make recommendations on the governance of Hawaii's public education system. Additionally, the proposed bill will:

- (1) Provide for an eleven member task force to be appointed by the Governor, consisting of teachers, principals, parents, and representatives from the business community and the general public;
- (2) Requires the Governor to make appointments to the task force by June 15, 1991;
- (3) Requires the task force to examine the roles and relationships of various State agencies, departments, and other organizations that deal with the public education system;
- (4) Appropriates \$130,000 for the operation of the task force; and
- (5) Provides for the expenditure of the funds by the Department of Education.

Your Committee finds that this bill is a significant step toward the implementation of the concept of school/community-based management in Hawaii's schools.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1473, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 293 Education on S.B. No. 1484

The purpose of this bill is to appropriate \$416,268 for fiscal year 1991-1992 to be expended by the Department of Education for expansion of the Hawaiian Language Immersion Program.

Your Committee makes the following findings regarding the Hawaiian language and the Hawaiian Language Immersion Program:

- (1) At the end of the 19th Century, the government and the Department of Public Instruction almost eliminated the Hawaiian language by forbidding its use in schools. If children spoke it they were orally and physically punished. Consequently, Hawaiians have become culturally and linguistically deprived of their indigenous language, and it is incumbent on the State to remedy this disgraceful policy;
- (2) Hawaiian is one of the two official languages of this State;
- (3) The Hawaii Constitution requires our elected leaders to promote the study of Hawaiian culture and history and the Hawaiian language;
- (4) The Hawaiian Language Immersion Program is in place in five elementary schools, and according to parents and teachers it is helping students not only to learn Hawaiian but to gain confidence in their ability to learn in general; and
- (5) Without the financial support provided by this measure the Program will not be adequately staffed, will not be able to expand as demanded by the community, nor will there be enough materials translated into Hawaiian to meet the needs of the Program's students.

Your Committee has amended this bill by restoring moneys excised from the Executive Budget. \$277,036 is provided for fiscal year 1991-1992, and the sum of \$416,268 provided for fiscal year 1991-1992 in this bill as introduced has been scheduled for expenditure in fiscal year 1992-1993. These moneys will provide for the expansion and support of the Program, including one FTE position for fiscal year 1991-1992 to be filled by a resource teacher to assist in Program development and implementation, and four other new FTE positions to accommodate grade level expansion.

It is the intent of your Committee that the Department of Education shall seek to develop and implement creative partnerships with the Kamehameha Schools/Bishop Estate and the Office of Hawaiian Affairs for long term Program funding.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1484, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 294 Education on S.B. No. 1544

The purpose of this bill is to provide a mechanism for individual schools to bypass formal Department of Education procedures and requirements for installing air conditioners in their classrooms.

Your Committee finds that the quality of education in the State is related to the condition of school facilities. In order to ensure excellence in Hawaii's public schools, students need to have a comfortable environment that is conducive to learning.

Your Committee also finds that due to current fiscal constraints on the State, the Department of Education is not able to provide air conditioning in all classrooms that may need it. In the spirit of school/community-based management, which provides for autonomous decision-making by those who are directly affected by the decisions, your Committee believes that a waiver of current Department of Education procedures regarding air conditioning may be warranted under certain circumstances. Your Committee emphasizes that this measure is not an attempt to thwart the policies and procedures of the Department of Education. However, your Committee finds that if schools can obtain sufficient funds to provide air conditioning in their classrooms, they should be allowed to do so.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1544 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 295 Education on S.B. No. 1657

The purpose of this bill is to assist at-risk secondary school students to gain job-seeking skills and find jobs as alternatives to regular secondary school attendance.

Under this bill, the program would be administered by the Employment Training Office of the University of Hawaii or another suitable government agency.

Your Committee finds that there are an estimated 7,000 secondary school students statewide who are considered to be "at risk" and that this program will help these students gain basic job skills needed to meet employment requirements.

Your Committee has amended this bill by:

- (1) Deleting the provision that the program does not provide credit toward a secondary school diploma;

- (2) Designating the Employment Training Office to administer the program;
- (3) Deleting the requirement that the program include a one to two week job-seeking skills course prior to job placement, and replacing it with a requirement for employment training and cooperative education opportunities;
- (4) Deleting the provision that the job placement program become a permanent secondary school alternative;
- (5) Deleting the requirement that the program be audited during the last quarter of 1993 by the Legislative Auditor; and
- (6) Appropriating \$300,000 to the University of Hawaii for implementation of this program.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1657, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 296 Education on S.B. No. 1673

The purpose of this bill is to establish an incentive grants program within the Department of Education.

The program shall provide for the award of funds to schools that may need temporary funding to develop and implement short term innovative school based programs.

Your Committee has amended this bill by:

- (1) Providing that grants be awarded for the implementation of short term programs of three years or less instead of two years or less;
- (2) Appropriating \$500,000 for fiscal year 1992-1993;
- (3) Requiring the Department of Education to submit an annual report to the Legislature; and
- (4) Deleting the section that allows for the maintenance of existing innovative programs.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1673, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 297 Education on S.B. No. 1681

The purpose of this bill is to appropriate funds to coordinate and integrate the City and County of Honolulu's No Hope in Dope program into the Department of Education's instructional activities.

In addition, this bill requires that the City and County of Honolulu provide matching funds for this program.

The No Hope in Dope program is a new and innovative program that was established in 1989 as a pilot project and has proven to be a huge success. The program has received excellent reviews and enthusiastic support from parents, community leaders, government officials, and the general public.

Your Committee finds that a coordinated effort is needed in order to successfully implement this program. Therefore, your Committee has amended this bill by deleting the original appropriation of \$120,000 for the transfer of the program, and providing \$35,000 for the hiring of one full-time counselor to serve as a liaison between the Department of Education and the Honolulu Police Department in the coordination and implementation of the No Hope in Dope Program.

It is your Committee's intent that the counselor will implement expansion of the program to all schools on Oahu, as well as serve as the link to expanding the program on the neighbor islands.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1681, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 298 Education on S.B. No. 1683

The purpose of this bill is to provide funds to assist the Department of Education in purchasing equipment, supplies and services for statewide high school athletics.

Your Committee received voluminous testimony in support of this measure.

Your Committee strongly believes that athletics is an integral part of a student's educational experience. Athletics contribute to positive character development, good sportsmanship, cooperation, pride, and responsibility to self and others. In addition, your Committee concurs with the testimony of the Department of Education that safety equipment and medical supplies are vital to ensuring the health and safety of our students.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1683 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 299 Education on S.B. No. 1865

The purpose of this bill is to authorize the Board of Regents of the University of Hawaii to adjust the salaries of faculty and staff when warranted.

Specifically, this bill provides that salary adjustments may be made if funds are available and the adjustment is warranted on the basis of retention, market, equity, or merit. Further, the bill provides for adjustments to be made in a manner consistent with applicable provisions of collective bargaining agreements.

Your Committee has amended this bill by: (1) specifying that salary adjustments be made in a manner consistent with the applicable provisions of Chapter 89, Hawaii Revised Statutes, relating to collective bargaining agreements, and (2) appropriating \$4,900,000 for the salary adjustments.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1865, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 300 Education on S.B. No. 2074

The purpose of this bill is to appropriate funds for the Legislative Auditor to conduct a study on funding for public education in Hawaii.

Your Committee finds that support for public education has always been a legislative priority. Although a significant portion of the State's resources is allocated to public education, increasingly larger amounts are being requested each year for new or expanded programs, and there is criticism that not enough funds are appropriated to the Department of Education. In order to provide for the use of public funds in the most efficient and effective manner possible, your Committee believes that the study of the school financing system proposed in this measure is necessary and prudent.

However, your Committee finds that it would be more appropriate for the study to be conducted by a "blue ribbon" panel representing various interests and appointed by the Governor. This would ensure that a broad cross-section of the community will be actively involved in a study that impacts all of the citizens of this State.

Therefore, your Committee has amended the bill accordingly, and provided that the funds appropriated in this bill are to be expended by the Department of Education.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2074, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 301 Employment and Public Institutions on S.B. No. 1130

The purpose of this bill is to require the Department of Taxation to provide state income tax relief to Hawaii's military personnel deployed in the Persian Gulf and their families.

The tax relief will conform to recent acts of congress with regard to federal income tax deferrals, extensions, and exemptions.

Your Committee finds that many of Hawaii's sons and daughters are now and for some months have been playing active roles in Operation Desert Storm. That these persons and their families deserve special recognition and preferential income tax treatment has already been recognized by the federal government, and it is appropriate for the State of Hawaii to do likewise.

Your Committee has amended this bill by specifying that Section 7508 of the Internal Revenue Code of 1954 as amended, and the amendments to Section 7508 contained in Public Law 102-2, are adopted and made operative for the purposes of Chapter 235, Hawaii Revised Statutes, retroactive to August 2, 1990.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1130, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 302 Employment and Public Institutions on S.B. No. 1424

The purpose of this bill is to authorize the Prosecuting Attorneys to appoint civil service exempt assistants and other necessary personnel.

Specifically, the bill exempts private secretaries, secretaries to the first deputy, chief investigators, and administrative or executive assistants. Each such position will be included in the position classification plan.

Your Committee finds that prosecuting attorneys should be able to hire persons whom they know possess the qualities and abilities necessary for these positions. This bill will enable them to do so.

Your Committee has amended this bill by clarifying that the exemptions apply to each prosecuting attorney's office.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1424, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 303 Employment and Public Institutions on S.B. No. 1792

The purpose of this bill is to clarify and strengthen the laws relating to Correctional Industries.

Specifically, the bill clarifies the authority of Correctional Industries to construct, renovate, and repair the grounds, furniture, vehicles, and equipment of private nonprofit agencies, and exempts the program from the bidding requirements of Chapter 103, Hawaii Revised Statutes. Additionally, the bill authorizes the Correctional Industries Revolving Fund to be used to purchase or lease buildings and repeals the provisions relating to apportionment of compensation received for an assignment between the inmates and the State.

Your Committee finds that Correctional Industries should have added flexibility in accepting work assignments for qualified inmates.

Your Committee has amended this bill by deleting the authority to purchase or lease buildings. Your Committee has also restored language requiring a portion of the compensation for an assignment to be paid to the inmates who did the work, and provided that such remuneration shall be made out of moneys in the Correctional Industries Revolving Fund, which now contains enough money to be self-supporting.

Your Committee has further amended this bill by changing its format to conform to recommended drafting style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1792, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 304 Employment and Public Institutions on S.B. No. 2081

The purpose of this bill is to provide for continued operations of the State Capitol Tour Service while the Capitol is being renovated.

Specifically, the bill does the following:

- (1) Transfers the Service and its functions, including its two employees, from the Legislature to the Office of the Governor until the renovation project is complete;
- (2) Directs the Office of Information to formulate a plan for implementation of a permanent Capitol District Tour and Information Program;
- (3) Designates the Mabel Smythe Building as the Service's new base of operations effective July 1, 1991;
- (4) Appropriates funds to be expended by the Office of Information for four tour service personnel, supplies, equipment, and furniture, and for contracting with appropriate agencies or individuals for program development;
- (5) Appropriates funds to be expended by the Department of Accounting and General Services for renovation of the Mabel Smythe Building; and
- (6) Appropriates funds to be expended by the Department of Budget and Finance for communications equipment for the Mabel Smythe Building.

Your Committee finds that the Department of Accounting and General Services is currently negotiating with Queens Medical Center for the early turnover of the Mabel Smythe Building to the State. However, there is no assurance that this will be accomplished by July 1, 1991, and your Committee has amended this bill accordingly. Your Committee has also inserted \$240,000 and \$209,500 for fiscal years 1991-1992 and 1992-1993, respectively, as the sums to be appropriated for expenditure by the Office of Information, and \$1 each for the appropriations to be expended by the Departments of Accounting and General Services and Budget and Finance.

In addition, your Committee has made some nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 2081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2081, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 305 Employment and Public Institutions on S.B. No. 2122

The purpose of this bill is to appropriate funds for fiscal biennium 1991-1993 to be expended by the Department of Labor and Industrial Relations to implement the West Oahu Social and Employment Services Incubator Project.

The Incubator Project was created pursuant to Act 325, Session Laws of Hawaii 1990, to provide for the needs of the rapidly increasing West Oahu population. This bill will allow the Project to proceed.

Your Committee has amended this bill by specifying that the sums appropriated shall be \$125,536 and \$130,813 for fiscal years 1991-1992 and 1992-1993, respectively. Your Committee has also deleted the Director of the Office of State Planning from the Social and Employment Services Incubator Project Board and added the Comptroller, to facilitate implementation of the West Oahu Project.

In addition, your Committee has made some nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 2122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2122, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 306 Employment and Public Institutions on S.B. No. 248

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Department of Accounting and General Services to purchase and install energy efficient lights in state office buildings.

Your Committee finds that fluorescent bulbs produce better light than incandescent bulbs and at a lower cost per energy watt; therefore, this bill will save the State money and improve the environment of persons working in or visiting public offices.

Your Committee has amended this bill by specifying \$30,000 as the sum appropriated and by adding details relating to the lighting equipment and installation thereof to be funded pursuant to this bill.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 248, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 307 Housing and Hawaiian Programs on S.B. No. 423

The purpose of this bill is to appropriate \$100,000 for fiscal year 1991-1992 to be expended by the Office of Hawaiian Affairs to plan, study and appraise the Anahola/Kamalomalo Kealia irrigation ditch system.

Your Committee finds that it is necessary to develop effective management for optimum delivery of water through the Anahola/Kamalomalo Kealia irrigation ditch system.

Your Committee has amended the bill to designate the Department of Hawaiian Home Lands as the expending agency instead of the Office of Hawaiian Affairs.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. 423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 423, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 308 Employment and Public Institutions on S.B. No. 567

The purpose of this bill is to provide state support of the Honolulu Fire Department's Hazardous Materials Response Team.

Specifically, the bill appropriates \$2,660,911 for fiscal year 1991-1992 to be expended by the City and County of Honolulu on items such as Response Team salaries, equipment, and costs associated with designing and constructing a new fire station to house the Response Team. The State will identify, purchase if necessary, and transfer or allocate to the City and County real property suitable for the new station.

Your Committee finds that the Hazardous Materials Response Team plays a vital role in protecting the health and safety of Oahu's residents and should have a new station appropriate to its specialized needs. Your Committee also finds that it

is in the public interest for the State to actively support the Response Team by providing money and property. This bill will distribute responsibility pertaining to waste materials response between the City and County and the State and ensure a continuing, safe, and viable response system.

Your Committee has amended this bill by delegating chief responsibility for obtaining land for the new fire station to the Department of Land and Natural Resources. Your Committee has also made a nonsubstantive technical change for the purpose of clarity.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 567, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 309 (Majority) Housing and Hawaiian Programs on S.B. No. 649

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Governor's Agriculture Coordinating Committee to purchase equipment and to further expand the Anahola Hawaiian Land Farms Association's diversified agricultural development training program.

Your Committee finds that this program coincides with the goals and objectives of the Hawaii State Agricultural Functional Plan and that the funds appropriated by the bill will be matched by an equal amount of federal funds.

Your Committee has amended the bill to designate the Department of Hawaiian Home Lands as the expending agency instead of the Governor's Agriculture Coordinating Committee.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 649, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senator Fernandes Salling did not concur.

SCRep. 310 Housing and Hawaiian Programs on S.B. No. 650

The purpose of this bill is to appropriate funds for fiscal years 1991-1992 to be expended by the Office of Hawaiian Affairs to clear and develop additional farm lots in Anahola and to extend the irrigation system.

Your Committee finds that this development will meet on-farm cultivation requirements and will provide a better opportunity to produce crops economically.

Your Committee has amended the bill to designate the Department of Hawaiian Home Lands as the expending Agency rather than the Office of Hawaiian Affairs and to leave blank the sums which express the amount of the appropriation.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 650, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 311 Employment and Public Institutions on S.B. No. 652

The purpose of this bill is to include vacation pay as part of the lump sum payment granted to former charter members of the Excluded Managerial Compensation Plan (EMCP) who left their positions prior to July 1, 1988.

Act 400, Session Laws of Hawaii 1988, corrected a pay inequity affecting EMCP incumbents who remained in service after the EMCP took effect on July 1, 1981 and persons assigned to the EMCP without a pay increase prior to July 1, 1982. Remuneration was authorized in the form of lump sum payments. Subsequently, Act 159, Session Laws of Hawaii 1989, authorized lump sum payments to former EMCP charter members who retired or otherwise left service and who would have received a lump sum payment under Act 400 had they remained in the EMCP as of July 1, 1988. This bill clarifies that the lump sum payment includes vacation pay.

Your Committee finds that the obvious intent of Act 159 was to provide EMCP charter members who had left service prior to July 1, 1988 the same benefits, albeit on a pro rata basis, that were accorded by Act 400. As interpreted by the affected public employer, however, although Act 400 included provision for adjustments relating to vacation pay, Act 159 did not. Your Committee finds that this interpretation of Act 159 is unfair, inequitable, and inconsistent with the Act's original intent. The express inclusion of a vacation pay provision is therefore necessary to resolve this conflict in interpretation and to ensure full compliance with Act 159.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 652 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 312 Employment and Public Institutions on S.B. No. 1074

The purpose of this bill is to lower contributions of public employees to the Employees' Retirement System and increase retirement benefits.

Specifically, the bill does the following:

- (1) Reduces contributions of firefighters, police officers, corrections officers, investigators in the offices of the Prosecuting Attorney and Attorney General, and narcotics investigators from twelve and two-tenths percent to ten and four-tenths percent, and increases the percentage of average final compensation on which their retirement benefits are based from two and one-half percent to two and three-fourths percent;
- (2) Increases the normal retirement allowance for contributory members from two to two and one-fourth percent of the average final compensation multiplied by years of credited service; and
- (3) Increases the normal retirement allowance for noncontributory members from one and one-fourth to one and one-half percent.

Your Committee finds that the System's earnings have substantially increased over the past several years, and that excess amounts over the annual investment yield rate are being used to reduce the employers' liability. This bill reflects the belief of your Committee that substantial increases in the System's earnings warrant reductions in employee contributions and increased retirement benefits for System beneficiaries.

Your Committee notes that this bill does not reduce the contribution rate for members other than those enumerated above. Therefore, your Committee has amended this bill by lowering the contribution rate for other contributory employees from seven and eight-tenths percent to six percent.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1074, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 313 Employment and Public Institutions on S.B. No. 1094

The purpose of this bill is to appropriate \$334,194 and \$299,365 for fiscal years 1991-1992 and 1992-1993, respectively, to be expended by the Department of Public Safety for substance abuse and sex offender treatment.

Your Committee finds that treatment of these types of offenses is a matter of compelling public interest.

Your Committee has amended this bill by changing the appropriated amounts to \$325,278 and \$274,798 and specifying that these moneys will be expended for personal services and current expenses of the Department of Public Safety and the Hawaii Paroling Authority relating to sex offender treatment.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1094, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 314 Housing and Hawaiian Programs on S.B. No. 1436

The purpose of this bill is to appropriate \$2,300,000 for fiscal year 1991-1992 to be expended by the Department of Hawaiian Home Lands to make low interest loans for self-help home construction on the Island of Hawaii.

Your Committee received testimony in support of the bill from the Department of Hawaiian Home Lands, the Council of Hawaiian Homestead Associations and the Gibson Foundation.

Your Committee finds there is a need for further assistance to continue the self-help home construction project and that additional funds provided for in this bill will allow the project to proceed toward its goal of completing eighty-five homes.

Your Committee has amended the bill to insert provisions which authorize the Director of Finance to issue general obligation bonds as the source of funds for the appropriation contained in the bill.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1436, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 315 Housing and Hawaiian Programs on S.B. No. 2048

The purpose of this bill is to establish a guaranteed revenue stream to the Office of Hawaiian Affairs (OHA) for the betterment of conditions of all Hawaiians regardless of blood quantum.

Your Committee finds that under existing law, Hawaiians who do not qualify as "native Hawaiians," i.e., fifty percent or more native blood, are not included as beneficiaries in revenues from the Public Land Trust. This bill will allow OHA to aid all Hawaiians.

Your Committee has amended the bill to correct drafting errors in the original version but has made no substantive amendments.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2048, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 316 Housing and Hawaiian Programs on S.B. No. 2091

The purpose of this bill is to appropriate \$1,000,000 for fiscal year 1991-1992 for an endowment fund to finance the administrative, operating and program activities of the Nanakuli Neighborhood Housing Services.

Your Committee finds that this neighborhood housing service is a community nonprofit partnership and a valuable resource in the social and economic vitality of declining neighborhoods.

Your Committee has amended the bill by changing the expending agency from the Department of Business, Economic Development, and Tourism to the Housing Finance and Development Corporation, and making technical amendments that have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2091, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 317 Housing and Hawaiian Programs on S.B. No. 2094

The purpose of this bill is to direct the Legislative Reference Bureau and the Office of Hawaiian Affairs to conduct research and submit a report on the creation of a native Hawaiian political subdivision within the State of Hawaii.

Your Committee received testimony generally in support of the bill, the only reservations being in the selection of the agencies designated to make the study and report.

Your Committee finds that the issue of self-determined governance is viewed by native Hawaiians as an inherent right and the study to be conducted pursuant to this bill is a step toward acknowledgement of that right.

Your Committee has amended the bill to make a technical correction which does not effect the substance of the bill.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2094, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 318 Health and Human Services on S.B. No. 188

The purpose of this bill is to encourage and assist Hawaii's citizens who freely want to commit their time and share their talent in the search for civic improvement and social progress by establishing a Hawaii Community Action Volunteers Agency within the Department of Labor and Industrial Relations to coordinate and assign spirited volunteers to specific sponsoring organizations within needy and deprived communities with the mission of assisting the disadvantaged and the unfortunate to reach self-sufficiency.

This type of program is essential to our way of life and your Committee supports it wholeheartedly. However, it is not the intent of your Committee to replace any of the Department of Labor and Industrial Relations's current priorities as indicated in its Executive Biennium Budget.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, and the Honolulu Community Action Program, Inc.

Upon consideration, your Committee has amended this bill by designating the Department of Labor and Industrial Relations as the expending agency.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 319 Health and Human Services on S.B. No. 356

The purpose of this bill is to provide funding for the Housing Assistance Project which currently provides housing and supportive case management services to fifteen persons through two rental houses in Kaimuki under contract with the Mental Health Division. The appropriation will increase the number of persons served from thirty-five to forty.

Your Committee received testimony in support of this measure from the Department of Health, the Mental Health Association in Hawai'i, the State Advisory Council on Mental Health and Substance Abuse, the Executive Director of The House, Inc. and a number of individuals being served by The House, Inc.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 356 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 320 Health and Human Services on S.B. No. 434

The purpose of this bill is to implement the Parents as First Teachers Project within the Healthy Start Program which would enhance the quality of existing parenting education and support efforts to high risk families in Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Medical Association, and many organizations and individuals involved in early childhood education.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 434 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 321 Health and Human Services on S.B. No. 487

The purpose of this bill is to supplement and enhance the implementation of the Special Supplemental Food Program for Women, Infants, and Children.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Association for the Education of Young Children, the Honolulu Community Action Program, Inc., and the Kalihi-Palama Health Clinic.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 487 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 322 Health and Human Services on S.B. No. 509

The purpose of this bill is to provide an income tax credit for the care of elderly relatives who meet specific requirements

Your Committee has also made amendments to this bill for purposes of style and clarification of certain provisions.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 323 Health and Human Services on S.B. No. 648

The purpose of this bill is to establish a child protective services team program to provide decentralized child protective services programs in any community that has a higher than average proportion of cases of child abuse or neglect but whose members are unable to easily access crisis and long-term services because of distance from those services. The bill would also establish a family support unit to aid families.

Upon consideration, your Committee has amended this bill by deleting its provisions and inserting the provisions of H.B. No. 1706 which more accurately describes the needed program and includes funding for it.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 648, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 324 Health and Human Services on S.B. No. 692

The purpose of this bill is to establish, on a demonstration basis, a centralized family support and respite development program, charged with the development of a multi-faceted program serving families.

Your Committee has amended this bill by:

- (1) Providing for the establishment of the Family Support and Respite Development Advisory Committee composed of a maximum of twelve members including at least one representative from each county;

- (2) Specifying that the Director of Health shall appoint the committee members on the recommendation of the Commission on Persons with Disabilities;
- (3) Delineating the committee's responsibilities to include the oversight of program development, implementation and evaluation;
- (4) Adding that the program work toward:
 - a. The coordination of existing services and resources;
 - b. The capacity to offer an array of services to families;
 - c. Flexibility in service availability and delivery; and
 - d. The identification of the family as decision-maker about what specific services are wanted and needed;
 and
- (5) Establishing the program in the Department of Health and changing the expending agency to the Department of Health.

Upon further consideration, your Committee has inserted appropriations of \$1,205,940 for fiscal year 1991-1992 and \$2,163,972 for fiscal year 1992-1993.

Your Committee has also made nonsubstantive amendments to this bill for purposes of clarity and recommended drafting style.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 692, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 325 Health and Human Services on S.B. No. 693

The purpose of this bill is to appropriate funds as the State's share in obtaining federal matching funds for 200 additional persons beyond the 300 who would be served annually by the Nursing Home Without Walls program under the currently proposed budget.

Your Committee received testimony in support of this measure from the Department of Human Services and many other agencies and individuals.

Your Committee has amended this bill by inserting a purpose clause to clarify that the intent of this measure is to insure funding, over and above the current funding request, for service to 300 persons to permit service to an additional 200 persons or a total of 500 persons.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 693, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 326 (Majority) Health and Human Services on S.B. No. 733

The purpose of this bill is to provide increased compensation and benefits for early childhood educators in child care centers and private homes.

While Your Committee recognizes the urgent need for combined child care and early childhood education, your Committee has concerns about subsidizing private schools. The State constitution specifically forbids the use of public funds for any purpose other than public purposes. Another consideration is the fact that some of these private schools are run by churches which introduces the issue of separation of church and state.

Your Committee has amended this bill by providing that the board be composed of from five to nine members and that the board be placed in the Executive Office of Children and Youth for advisory purposes as well as administrative purposes. It has also amended the bill to insure that the funds be disbursed only to accredited centers and qualified family child care providers.

Your Committee has further amended the bill by inserting appropriation amounts and by providing that the board only advise the director about selection of appropriate staff; recommend guidelines and conditions governing the distribution of the fund to the director; and make recommendations regarding the award of funds to the director based on application evaluation.

Your Committee has also made nonsubstantive amendments to this bill for purposes of style and clarity.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 733, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 733, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senator Koki did not concur.

SCRep. 327 Health and Human Services on S.B. No. 963

The purpose of this bill is to amend the laws of the State relating to human services.

Your Committee has amended this short form bill by inserting substantive material which will appropriate funds to continue the provision of support services to the Waianae Coast Coalition for Human Services.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 963, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 328 Health and Human Services on S.B. No. 1110

The purpose of this bill is to provide funding in the amounts of \$256,214 and \$188,036 for fiscal years 1991-1992 and 1992-1993, respectively, for staff positions for the Adult Protective Services Unit established in 1989.

Your Committee finds that Act 381, Session Laws of Hawaii 1989, mandated the Department of Human Services to provide protective services to all dependent adults throughout Hawaii who are abused, neglected, or financially exploited, but the Act did not provide for positions to accomplish this. This measure will provide for necessary staffing.

Upon further consideration, your Committee has amended this bill by raising the appropriated amounts and by changing "part-time" to "temporary" and "full-time" to "permanent" to more accurately reflect the sums required and the nature of the positions provided.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1110, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 329 Health and Human Services on S.B. No. 1231

The purpose of this bill is to establish a self reliant Hawaii targeted jobs credit by incorporating into the law the pertinent language of the Internal Revenue Code (IRC) section 51 applicable to Hawaii's targeted jobs credit and eliminating all specific references to IRC section 51 which are now present in the law.

Your Committee has amended this bill to correct technical drafting errors.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1231, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 330 Health and Human Services on S.B. No. 1353

The purpose of this bill is to amend the expenditures ceiling for Nursing Home Without Walls services to the amount authorized by the federal Health Care Financing Administration.

Your Committee finds that this measure will allow the Department of Human Services to plan and manage client expenditures on a more predictable basis.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1353 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 331 Health and Human Services on S.B. No. 1404

The purpose of this bill is to supplement the private efforts at combatting illiteracy by creating a fund to support further development of new family literacy models, to develop innovative strategies for increasing family literacy, and to insure that there are continuing resources to promote a literate Hawaii.

Your Committee received testimony in support of this measure from the Office of Children and Youth and from a person representing the Hawaii Community Foundation and the Co-chair for the Family Literacy Campaign.

Your Committee has amended the bill by adding a purpose clause for understanding and by providing that the funds appropriated for the fund be matched by private donations. Your Committee has inserted an appropriation of \$1 for discussion purposes.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1404, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Levin.

SCRep. 332 Health and Human Services on S.B. No. 1572

The purpose of this bill is to provide perinatal care by establishing six perinatal support projects. The funding provided by this bill will provide care for approximately 3,220 women who lack adequate perinatal service because they have no medical insurance or access to medical benefits or are unaware of the importance of perinatal care.

Your Committee has amended this bill by correcting the time period for the appropriation to fiscal biennium 1991-1993.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1572, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 333 Health and Human Services on S.B. No. 1858

The purpose of this bill is to improve the juvenile justice system by consolidating the efforts made toward this goal. Specifically, this bill repeals the provisions establishing the Juvenile Justice Interagency Board and the Office of Youth Services Oversight Committee, and establishes in their place four county Office of Youth Services Regional Advisory Boards.

Your Committee received testimony in support of this measure from the Office of Youth Services and the Juvenile Justice Interagency Board.

Your Committee has amended this bill by clarifying that all positions transferred from the Juvenile Justice Interagency Board be transferred in their present state; and by providing that the four regional directorships are civil service positions.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1858, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 334 Health and Human Services on S.B. No. 2083

The purpose of this bill is to clarify classifications of the patients who were ever detained at Kalaupapa or Hale Mohalu. The measure will strengthen the State's commitment to the care of these patients and to the continuing medical assistance for newly diagnosed cases of Hansen's disease.

Your Committee received testimony in support of this measure from the Department of Health and from a Hansen's disease patient.

Your Committee has amended the bill to reflect more accurately the different circumstances of the Hansen's disease patients and in so doing will insure that their needs are met whether they live at Kalaupapa or elsewhere.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 2083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2083, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 335 (Majority) Judiciary on S.B. No. 711

The purpose of this bill is to establish a statewide lottery to be operated by a state lottery commission.

Your Committee received testimony from the Honolulu Police Department, the First Christian Church, the Hawai'i Council of Churches, and the Hawaii District of the United Methodist Church.

Your Committee believes that establishing a state lottery is in keeping with the desire of the majority of Hawaii's residents to participate in a lottery with the possibility of winning a substantial prize. The state lottery will also provide needed state revenue to fund programs that will improve the quality of life for our citizens.

The opponents' primary argument is that a lottery will impoverish more than it enriches and that the social programs funded will not offset the increase in demand for social programs that results from the unwise purchase of lottery tickets by

persons unable to afford the indulgence. However, your Committee received no statistics that suggest any validity to this argument.

Notwithstanding the paucity of legitimate data supporting this argument, this bill provides numerous safeguards to assure that the community gets a lot more from the lottery than it may be required to expend to rehabilitate the few who may gamble to a detrimental excess. Specifically:

(1) After six months of operation and from time to time thereafter, the director is required to commission an independent demographic analysis of the characteristics of lottery players;

(2) The commission is required to spend up to one percent of the annual gross revenues "to prepare an annual study of the economic and social impact to the State of the lottery" and present these studies to the governor and the legislature;

(3) The commission is required to minimize the adverse effects of the lottery, as disclosed by the study of the economic and social impact;

(4) At least half of the retail lottery sales outlets will be located in hotels, so that the costs will be borne disproportionately by a relatively affluent segment of our de facto population and substantially exported, while all the net revenues can be used to benefit Hawaii residents;

(5) Nonhotel retail lottery sales outlets are prohibited "in supermarkets" or "any other place where grocery items are sold to the public", to minimize the risk that customers will substitute lottery tickets for food; and

(6) Lottery tickets cannot be sold to minors.

With these safeguards, and one other added by your Committee, your Committee is confident that the benefits to the community will very greatly outweigh any negative impacts.

Opponents' second argument, that lotteries are immoral, is clearly a minority view. All reliable polls have shown that the majority supports a state lottery. Participation in a state lottery that will generate funds for the betterment of the condition of the people of Hawaii is no less moral than participation in the stock market. Although the return is usually better in the stock market, in both cases, the primary motivation is to increase personal wealth, with the beneficial impacts of capital formation or funding state programs being purely secondary. Surely the issue of morality cannot turn on how successful the participants are in achieving their goal of self-enrichment. In any event, your Committee believes that assessment of the morality issue should be left to the individual. Those among the minority who view lotteries to be immoral are under no obligation to participate.

One argument that has been effective in previous years is that the state does not need the additional revenues. Obviously due to the current state of our economy, that argument was not raised this year.

Your Committee has amended the bill in two particulars:

(1) The provision that the net revenues from the lottery shall be used "to benefit programs for senior citizens" has been deleted. This is not a decision against the creation of another special fund, although there are arguments against the creation of special funds under these circumstances. Nor is it a decision against additional funding for programs that benefit senior citizens, although there are other classes of programs that may be equally or more in need of an infusion of funding. For example, Senator Mike Crozier states a strong case for using the proceeds to give shelter to the homeless. Rather, this deletion was made to leave a clean slate for the Committee on Ways and Means. That committee is in a better position to determine where the needs are greatest and whether those needs can be better funded through the general fund or a special fund.

(2) As an additional safeguard, the provision for an effective date has been amended to provide that the authority for the lottery will automatically terminate in six years.

During this trial period, the community will become very familiar with all aspects of the lottery. Unless the impact has been sufficiently positive to cause future elected officials to extend the law, the authority for these activities will expire. Future opponents will not face the affirmative burden of repealing the law.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senators Koki and Reed did not concur.

SCRep. 336 Judiciary on S.B. No. 817

The purpose of this bill is to coordinate certain functions and programs pertaining to juvenile and status offenders under the auspices of the Office of Youth Services, Department of Human Services.

Specifically, the bill transfers to the Office of Youth Services the following programs and functions, including personnel, records, appropriations and equipment:

1. Family Court's intake and diagnostic services;
2. Detention and emergency shelter facilities;

3. Purchase of service contracts administered by the Family Court; and
4. The Youth Development Project administered by the Department of Public Safety.

Your Committee received testimony in support of the bill from Office of Youth Services, University of Hawaii's Center for Youth Research and the Public Defender's Office.

However, your Committee heard concerns that transfer of the intake and detention services and their staff from the Family Court will disrupt services and hinder access and coordination of information between the agencies and Family Court.

Giving due consideration to all of the testimony, your Committee amended the bill to delete all references to services and programs performed or administered by the Family Court. The proponents of the bill may wish to address the concerns relating to Family Court services and programs as the bill passes through the Legislature.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 817, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 337 Judiciary on S.B. No. 1841

The purpose of this bill is to assess mandatory fines from convicted drug distributors for use in drug treatment, prevention and education programs.

Your Committee received testimony in favor of the bill from the State Attorney General, the county prosecutors and county police chiefs.

These proponents testified that the intent of the bill is to assess the cost of drug reduction programs to those who created the need for them. The prosecutor for the city and county of Honolulu asked that the relationship of the new fine to the fines provided for by section 706-640, Hawaii Revised Statutes, be clarified.

However, the Office of the Public Defender and the American Civil Liberties Union of Hawaii expressed the following concerns: (1) it requires a fine even for the incarcerated and indigents; (2) it is not clear whether the new fine would be given priority over fines that would go into the State's general fund as well as restitution payments to victims; and (3) there is no criteria on how and by whose authority funds will be distributed; and (4) it is well intentioned but constitutes an excessive punishment.

Taking all matters into consideration, your Committee made the following amendments to the bill:

- (1) Clarified the relationship to section 706-640, Hawaii Revised Statutes, to make it clear that the new fine is an additional fine which may be imposed even with the combination of the two fines exceeds the amounts provided under section 706-640, Hawaii Revised Statutes;
- (2) Made explicit the role of the legislature in appropriating the funds deposited into the special fund;
- (3) Added language to allow the court to suspend the fine for persons who enter a court-approved drug rehabilitation program and, upon successful completion, reduce the fine by the amount the person paid for participation in the drug program;
- (4) Clarified that restitution has first priority in payments, followed by payment of the fines under section 706-640, Hawaii Revised Statutes, and then by the new fine; and
- (5) Clarified that persons who fail to pay the new fine are subject to imprisonment or summary collection under the same circumstances as presently applied for contumacious nonpayment of restitution or fines.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1841, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 338 Consumer Protection and Business Regulation on S.B. No. 1719

The purpose of this bill is to conform the law relating to bulk sales to present day business needs and practices.

Specifically, the bill repeals Article 6 of Chapter 490 (Uniform Commercial Code) relating to "bulk transfers," and replaces it with a new Article 6 entitled "Bulk Sales."

Bulk transfer laws were originally drafted in response to a fraud perceived to be common around the turn of the century wherein a merchant would acquire his stock in trade on credit, then sell the entire inventory in bulk and abscond with the profits, leaving creditors unpaid.

Times and business ethics change, and your Committee finds that the present Article 6 imposes unnecessary burdens on sellers, particularly those with a large number of creditors. This new version will reduce the burdens and risks imposed upon good-faith buyers of business assets while increasing the protection afforded to creditors.

Your Committee has amended this bill by making nonsubstantive technical changes for the purpose of conformance with the general format of the Uniform Commercial Code.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1719, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 339 Agriculture and Environmental Protection on S.B. No. 1718

The purpose of this bill is to insure the availability of funds for cleanup purposes when required pursuant to part III of chapter 342L of the Hawaii Revised Statutes which relates to a response program for petroleum releases.

Your Committee has amended the bill by deleting provisions establishing a new Underground Storage Tank Fund and providing an appropriation of \$1,000,000 to the existing Leaking Underground Storage Tank Fund instead.

Your Committee finds that private insurance is available for small station owners. Furthermore, there are private and state loans which private businesses may be able to take advantage of for upgrading tanks to qualify for insurance. Once qualified, insurance coverage will probably be available at a reasonable price.

Your Committee has therefore decided to explore assistance available in the private sector before restoring to state loan and insurance programs.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1718, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Reed.

SCRep. 340 Transportation and Intergovernmental Relations on S.B. No. 316

The purpose of this bill is to appropriate \$25,580,000 for fiscal year 1991-1992 to fund various capital improvement projects for the County of Hawaii.

Your Committee received supporting testimony from the Hawaii County Mayor's Office, and recognizes the need for capital improvements in all neighbor island counties due to recent growth and development. Your Committee, however, is also aware that the counties have revenue sources which can be utilized, including the transient accommodations tax, and realizes that the recent downturn in the economy has reduced the State's ability to provide financial support for county projects.

Therefore, your Committee has requested that the counties prioritize their requests and recommend the two highest priority projects, with the understanding that, if moneys become available, additional projects will be supported. For the County of Hawaii, the two highest priority projects are (1) Hilo Wastewater Treatment System, and (2) Kailua-Kona Wastewater Treatment System.

Your Committee has amended the bill by deleting items (1) through (10) of SECTION 1, replacing them with appropriations for the Hilo Wastewater Treatment System and Kailua-Kona Wastewater Treatment System, and by replacing the sum of \$25,580,000 with an undesignated amount.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 316, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 341 Transportation and Intergovernmental Relations on S.B. No. 440

The purpose of this bill is to amend Chapter 237, Hawaii Revised Statutes, by adding a new section that would exempt from the general excise tax the gross proceeds received from the sale of goods or services to county governments.

Your Committee received supporting testimony from the City and County of Honolulu, the Hawaii Business League, and the County of Maui, and finds that the exemption from the general excise tax provided by this bill would channel more moneys directly into providing essential city services and lessen the need for state grants-in-aid to the counties.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 440 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 342 Transportation and Intergovernmental Relations on S.B. No. 442

The purpose of this bill is to provide that all fines and forfeitures collected by the district courts and paid into the State general fund shall be distributed to the county where the violation occurred, after deduction of amounts sufficient to reimburse the State for the costs of collection.

Currently, all fines and forfeitures collected by the courts are deposited into the general fund and credited to the Parking Control Program. However, the present system is unfair to the counties in that they pay most of the costs of enforcing traffic and parking laws, and ordinances, from ticket issuance through prosecution.

This bill will transfer the moneys collected from fines and forfeitures to the counties to compensate them for the moneys spent on enforcing the laws and ordinances.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 442 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 343 Transportation and Intergovernmental Relations on S.B. No. 459

The purpose of this bill is to issue general obligation bonds in the sum of \$1,000,000, and appropriate the same sum for the design and construction of roadway improvements on Kahakili Highway from Wailuku to Honokohau, Maui.

Your Committee received supporting testimony from the Department of Transportation and the County of Maui and finds this project is necessary to improve a section of the roadway that is sliding into the ocean. The county plans to close the roadway if conditions are not improved.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 459 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 344 Transportation and Intergovernmental Relations on S.B. No. 472

The purpose of this bill is to transfer to the counties public service tax revenues in excess of the amount that would have been realized at a rate of four percent.

Your Committee received supporting testimony from Hawaiian Electric Industries, Inc., GTE-Hawaiian Tel, GASCO, Inc., the Kauai County Council and the City and County of Honolulu.

Your Committee finds that, since counties provide municipal services to the public service companies, it is fair and reasonable for these firms to contribute their share of the costs of county government. This is especially so in view of the fact that the public service companies affected by this bill are exempt from real property taxes under current law.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 472 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 345 Transportation and Intergovernmental Relations on S.B. No. 502

The purpose of this bill is to provide special license plates to residents of Hawaii who are former prisoners of war, or Pearl Harbor survivors.

Your Committee finds that the people of the State of Hawaii need to recognize war veterans for heroic and unselfish service to their country.

Your Committee has amended SECTION 4 of the bill to change the effective date to July 1, 1991, in time for the commemoration of the fiftieth anniversary of the bombing of Pearl Harbor. SECTION 2 of the bill was also amended by removing the subsection which allowed the county director of finance to waive the fee for special license plates.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 502, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 346 Transportation and Intergovernmental Relations on S.B. No. 539

The purpose of this bill is to recognize war veterans for their heroic deeds and unselfish service to our country by issuing special license plates to residents of Hawaii who are recipients of the Purple Heart.

Your Committee received testimony from the Military Order of the Purple Heart of the U.S.A., Inc., the 442nd Veterans Organization, and the 100th Infantry Battalion Veterans and finds that this bill provides appropriate and justified recognition of those who bravely fought in the defense of our country. Your Committee also finds that this bill is long overdue since 27 of our sister states have already passed similar legislation.

Your Committee has amended the bill by modifying the design of the special plates and making nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 539, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 347 Transportation and Intergovernmental Relations on S.B. No. 576

The purpose of this bill is to amend the laws relating to traffic accidents and injuries.

Specifically, this bill defines injury categories that occur in traffic accidents that are consistent with existing definitions for injuries described in the Hawaii Penal Code by including definitions for "bodily injury," "serious bodily injury," and "substantial bodily injury" in Chapter 291C, Hawaii Revised Statutes. The bill also establishes the responsibilities of drivers involved in traffic accidents resulting in bodily injury, serious bodily injury, and substantial bodily injury. In addition, the bill provides a penalty of a maximum fine of \$1,000 or a maximum of five years imprisonment for any person failing to stop when involved in an accident resulting in substantial bodily injury.

Your Committee has amended this bill by making several technical, nonsubstantive amendments for purposes of clarity and style, and to correct drafting errors.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 576, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 348 Transportation and Intergovernmental Relations on S.B. No. 831

The purpose of this bill is to grant counties the ability to provide by ordinance for the creation of community facilities districts to finance special improvements and maintenance or to provide services in the county. The bill also allows counties to levy a special tax on property located in the district.

Current law allows the issuance of special improvement or assessment bonds which are used to finance public improvements. This bill provides more flexibility by allowing the counties to initiate proceedings to create special community facilities districts.

Your Committee finds that this bill will enable the counties to pay for new services or operating and maintenance expenses within the district that cannot be met out of general county funds.

Your Committee has amended this bill to provide that neither the ownership nor leasehold interest of the State in property owned or leased by it shall be subject to special taxes under this section, and that no properties, other than those owned by the State or federal or other local governments shall be exempt from the special tax except by ordinance.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 831, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 349 Transportation and Intergovernmental Relations on S.B. No. 1039

The purpose of this bill is to impose a one-time, one-half percent tax on any new or used vehicle imported into the State for rental or lease purposes.

Currently, a loophole in Hawaii tax law requires local new car dealers to charge a one-half percent tax on wholesale sales to U-drive companies which diverts 15,000 to 25,000 new vehicle sales per year to mainland new car dealers. The resulting loss of revenue to Hawaii new car dealers and loss of tax revenue to the State of Hawaii amounts to several million dollars annually.

This bill will alleviate the current problem by imposing the same tax on all imported cars and therefore promote local new car sales.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1039 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 350 Transportation and Intergovernmental Relations on S.B. No. 1222

The purpose of this bill is to prohibit liquor licenses from being issued to a transferee unless both the transferor and the transferee present a signed certificate from the Director of Taxation and the Internal Revenue Service showing that neither owes the state or federal government any delinquent taxes, penalties, or interest.

Your Committee received supporting testimony from the Department of Taxation and the Hawaii Hotel Association.

Your Committee finds that this measure will protect both the state and federal governments from marginal operators not paying their taxes.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1222 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 351 Transportation and Intergovernmental Relations on S.B. No. 1223

The purpose of this bill is to establish a three year statute of limitations for fuel tax assessments, levies, and overpayment credits, with certain exceptions, and to make statements concerning gallonage filed by distributors public records.

Your Committee received supporting testimony from the Departments of Taxation and Business, Economic Development, and Tourism.

Your Committee finds that this bill will conform the limitation period applicable to fuel tax proceedings with those applicable to the income and general excise taxes. It also finds that the public disclosure of fuel tax returns and statements will provide a valuable source of information on the flow and consumption of oil within the state.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1223, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 352 Transportation and Intergovernmental Relations on S.B. No. 1296

The purpose of this bill is to increase the principal amount of the special facility revenue bonds that the department of transportation is authorized to issue from \$50,000,000 to \$100,000,000.

Your Committee received supporting testimony from the Department of Transportation and finds that this increase in authorization is necessary in order to assist the interisland carriers in obtaining funding for the construction of their cargo and hangar facilities and to meet other future facilities needs.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1296 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 353 Transportation and Intergovernmental Relations on S.B. No. 1847

The purpose of this bill is to appropriate \$6,700,472 for fiscal years 1991-1992 and 1992-1993 for the Honolulu Police Department to implement and upgrade its telecommunications system.

Your Committee received supporting testimony from the State Attorney General, the Prosecutors and Police Chiefs of the City and County of Honolulu, and the Counties of Hawaii, Kauai and Maui, Councilwoman Rene Mansho, and the State of Hawaii Organization of Police Officers, and finds that this appropriation is essential for the health and welfare of the people of Hawaii.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1847, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 354 Transportation and Intergovernmental Relations on S.B. No. 2107

The purpose of this bill is to issue general obligation bonds in an undesignated sum and to appropriate the same sum, on a matching funds basis, for fiscal years 1991-1992 and 1992-1993 for capital improvement projects for the county of Kauai.

Your Committee received supporting testimony from the Mayor of Kauai and the County Council, and recognizes the need for capital improvement in all the neighbor island counties due to recent growth and development. Your Committee is cognizant of the fact that the counties have revenue sources which can be utilized, including the transient accommodations tax, and realizes that the recent downturn in the economy has reduced the availability of the State's resources.

Therefore, your Committee requested that the counties prioritize the requests, with the understanding that if moneys become available, additional projects will be supported. For the county of Kauai, the project of highest priority is the Kauai Wastewater Treatment System.

Your Committee has amended the bill by deleting the projects originally included and substituting the project of highest priority.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 2107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2107, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 355 Science, Technology and Economic Development on S.B. No. 91

The purpose of this bill is to establish a television loan program to attract and assist in the production of television pilot programs that have the potential to be developed into regular television series which will be filmed in the State.

Your Committee heard testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators Local No. 665, and the Screen Actors Guild.

Production of films and television series filmed in Hawaii greatly benefit the State via creation of more jobs, generation of more tax revenues and greater national and international state exposure. Television and feature film production in Hawaii produced expenditures of approximately \$62 million in 1989 and \$48 million in 1990.

Your Committee finds that about only one in sixteen television and film projects become financial successes, this high failure rate is the main reason that television and film producers cannot obtain financing from commercial lenders. These ventures normally are financed by equity partners who can share the high profits that some productions earn, thus covering the losses on others. Given the "hit or miss" nature of the film and television business, your Committee finds that a grants program rather than a loan program, with reimbursement of the grant occurring as a percentage of the profits made from royalties or syndication, is a more appropriate means of attracting television and film projects to Hawaii.

Upon the recommendation of the Department of Business, Economic Development, and Tourism, your Committee has amended the bill by deleting SECTION 2 of the bill that established a television production loan program and revolving fund. In its place a SECTION has been added that amends Section 211E-2, Hawaii Revised Statutes, by adding a new subsection that authorizes the Department of Business, Economic Development, and Tourism to make grants up to \$500,000 from the Hawaii Innovation Development Fund, to producers to finance the production of film and television projects in Hawaii.

Your Committee has further amended the bill by changing SECTION 3, and placing the \$1,000,000 appropriation into the Hawaii Innovation Development Fund, instead of the proposed television production revolving fund.

Your Committee has also made several nonsubstantive technical amendments for the purpose of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 91, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 91, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 356 Science, Technology and Economic Development on S.B. No. 863

The purpose of this bill is to provide funds for a research program of product development involving high value marine minerals extracted from seawater commodities that can be produced by utilization of cold, deep nutrient-rich seawater. The bill also authorizes the issuance of general obligation bonds of \$350,000 for the planning, design, and construction of a marine resource utilization laboratory at the natural energy laboratory, Hawaii.

Your Committee heard supporting testimony from the Hawaii Natural Energy Institute and the Natural Energy Laboratory.

Your Committee has amended the bill by changing the appropriation in SECTION 1 from \$250,000 to \$100,000.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 863, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 357 Science, Technology and Economic Development on S.B. No. 1001

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii funds for the State to participate in a project to develop new wind energy devices and designs to maximize wind energy production.

Your Committee heard supporting testimony from the Department of Business, Economic Development, and Tourism and Hawaiian Electric Renewable Systems, Inc. A consortium of nationally recognized companies in the wind industry, led by Hawaiian Electric Renewable Systems, Inc., has been formed to pursue the design, construction, and testing of a new blade design which will maximize the energy produced by wind machines. The new blade has generic application across the wind industry and profits from this project would be derived from royalties and licenses from others that will seek to use the new blade design. The consortium will make a response to a U.S. Department of Energy request for proposal to apply for Federal grants to support this type of program. State participation as an equity partner in the

project in the amount of \$200,000 is sufficient for the project to proceed. There was no testimony in opposition to the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1001, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 358 Science, Technology and Economic Development on S.B. No. 1006

The purpose of this bill is to eliminate the cumulative taxation of carrier access services in the telecommunications industry. In other words, the bill is intended to eliminate double taxation on long distance telephone calls.

Your Committee heard testimony from the Department of Taxation, the Tax Foundation of Hawaii, GTE Hawaiian Tel, and AT&T.

Placing a long distance call requires a local telephone company at each end of the call and an intermediate connecting company, commonly referred to as an interexchange carrier. These telecommunications service providers must work in unison to provide the required connections for the caller and the called party (end users). The local telephone company provides the local connection between the end users and the interexchange carrier; this service provided by the local telephone company is termed "carrier access service." The service provided by these telecommunications companies is a completed interexchange "long distance" telephone call.

Currently, Hawaii's law levies double taxes on long distance calls. Under chapter 239, Hawaiian Tel is required to pay a public service company tax on carrier access revenues received from an interexchange carrier. Public service company taxes are paid by public utilities in lieu of real property and general excise tax. Thus, general excise tax is essentially levied for the first time on a long distance call through the public service company tax. The public service company tax expense is flowed through the interexchange carrier and becomes part of its access cost, which in turn is passed to the end user. The interexchange carrier then adds its additional costs to complete the call, plus a markup, to derive the total charge for the telephone call. Currently interexchange carriers' gross revenues received from these calls are subject to the general excise tax, essentially levying this tax a second time on the same call.

AT&T testified that Federal Communications Commission regulations allow interexchange carriers to add a surcharge fee to long distance telephone call charges in those states that charge excise taxes on carrier access services. AT&T stated that they, along with the other long distance telephone companies serving Hawaii, will institute the surcharge fee (estimated to be 2 percent of the long distance charge) if the Hawaii laws are not amended to repeal the double excise taxation.

Your Committee finds that imposition of the carrier access excise tax surcharge would amount to triple taxation on long distance telephone charges, thus increasing the already high charges of such service. As such, your Committee finds that exempting carrier access services from the public service company tax is in order, in that it will save the consumer the public service tax and avoid the imposition of the excise tax surcharge fee.

The Department of Taxation testified that the bill, as written, is overly broad. Exempting all intermediary products and services from taxation would have a major impact in reducing the State's revenue. Your Committee has therefore amended the bill to focus only on exempting the carrier access service from the public service company tax.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1006, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 1006, S.D. 2.

Signed by all members of the Committee.

SCRep. 359 Science, Technology and Economic Development on S.B. No. 1244

The purpose of this bill is to expand the Hawaii Information Network Corporation's role in bringing new businesses into the state; to enable employees of the Hawaii Information Network Corporation to receive the same benefits as other State employees; and to make minor non-substantive changes to the statute.

Your Committee heard supporting testimony from the Department of Budget and Finance. The definition contained in the present statute limits the scope of the Hawaii Information Network Corporation (Hawaii INC) to Hawaii businesses and the State of Hawaii. The proposed changes to the statute would allow Hawaii INC to work with national and international businesses for the purpose of developing the information industry. In addition, the proposed changes will allow the employees of Hawaii INC to receive the same benefits as other State employees, which will assist in attracting qualified employees.

Your Committee adopted the recommendations of the Department of Budget and Finance and the proposed technical changes to the statute, including the removal of the collective bargaining exclusion clause from page 7 lines 16 and 17.

Your Committee has also made several non-substantive technical amendments for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1244, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 360 Science, Technology and Economic Development on S.B. No. 1524

The purpose of this bill is to require the installation and use of restricted water flow devices and fixtures in all new construction projects after July 1, 1993.

Supporting testimony was heard from the Department of Business, Economic Development, and Tourism, the Department of Health, the Department of Commerce and Consumer Affairs, and the Hawaii Housing Authority. These agencies support the purpose and intent of the bill as it promotes energy conservation and preserves our diminishing water resources.

Your Committee received written testimony from the Plumbing and Mechanical Contractors Association of Hawaii. This group supports the intent of the bill, however, it notes that S.B. 1371 is a more comprehensive water conservation bill.

Your Committee has amended the bill by adopting the recommendations of the Department of Health by replacing SECTION 2 of the bill with a new section that amends Chapter 342D-54, Hawaii Revised Statutes, relating to water pollution. The Department of Health proposed that the counties be allowed to adopt ordinances or codes which address the installation of low flow plumbing fixtures according to their respective needs. The counties would be encouraged to adopt new ordinances or codes by making grants or loans by the Department of Health to the counties for wastewater treatment and management contingent on the counties having ordinances or codes which require the installation of the low flow plumbing fixtures and devices. Further, the requirement for low flow water fixtures is extended to all plumbing fixtures including faucets, hose bibs, showerheads, urinals as well as toilets.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1524, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Agriculture and Environmental Protection in the form attached hereto as S.B. No. 1524, S.D. 2.

Signed by all members of the Committee.

SCRep. 361 Science, Technology and Economic Development on S.B. No. 1737

The purpose of this bill is to make an appropriation of an unspecified sum to the Department of Business, Economic Development, and Tourism's Hawaii Community-Based Development Revolving Fund for use as grants to qualified community-based development groups.

Your Committee heard testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, the Waianae Coast Community Alternative Development Corporation and its supporters.

Your Committee finds that community-based development organizations attempt to deal with economic, social, and cultural problems of Hawaii's rural communities by creating jobs and economic activity that not only provides for material sustenance, but creates the foundations for stable family and kinship relations, as well as the personal pride and self-esteem that comes from creative and productive labor. The work of community-based development groups complements and enhances the State's human services program efforts. Through the building of a sense of self worth and economic security community-based development organizations provide the impetus for true community concern and participation.

The Hawaii Community-Based Development Revolving Fund was established by the 1990 Legislature to make loans and grants to assist traditional and small community-based businesses and enterprises in becoming self-sufficient, to encourage the diversification of economic opportunities for Hawaii's residents and communities, and to improve community and social relations. During the first six months of the Hawaii Community-Based Development Revolving Fund loan and grants program, one grant of \$470,000 was made to the Waianae Coast Community Alternative Development Corporation, leaving only \$30,000 available for further grants. No loans were made, leaving a balance in the loan portion of the fund of \$400,000.

Your Committee finds that it is appropriate to replenish the grants section of the Hawaii Community-Based Development Revolving Fund by appropriating additional moneys to the fund. It further finds that the financial cap on the grants program ought to be eliminated to give the Department of Business, Economic Development, and Tourism greater flexibility in the administration of the fund.

Your Committee has amended the bill by specifying an additional appropriation of \$600,000 to be paid into the fund. Your Committee has also amended the bill by adding a new section amending Act 111, Session Laws of Hawaii 1990, that removes the restriction on the Department of Business, Economic Development, and Tourism that limits grants made pursuant to the Act to \$500,000.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1737, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 362 Tourism and Recreation on S.B. No. 358

The purpose of this bill is to provide funds for commissioning one or more statues of Alexander Joy Cartwright, the inventor of baseball, and requiring them to be located at one or more of the following sites: Cartwright Field, Aloha

Stadium, Old Honolulu Stadium Park, the professional baseball training facility site in Ewa, or any other site deemed suitable by the State Foundation on Culture and the Arts.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 358 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 363 Tourism and Recreation on S.B. No. 634

The purpose of this bill is to provide funds for implementation of the Mauna Kea Recreational Plan.

Your Committee heard supporting testimony from the Board of Land and Natural Resources and the University of Hawaii.

Your Committee has amended the bill as follows:

(1) Specifying the amounts of the appropriation to \$180,745 for fiscal year 1991-1992, and \$187,975 for fiscal year 1992-1993;

(2) Changing "Mauna Kea Recreational Plan" to read "Mauna Kea Science Reserve Complex Development Plan"; and

(3) Changing the expending agency from the Department of Land and Natural Resources to the University of Hawaii.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 634, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 364 Tourism and Recreation on S.B. No. 813

The purpose of this bill is to limit the liability of any individual who, without compensation, volunteers to render services as an organizer, manager, coach, instructor, umpire, referee, or official of a nonprofit sport association.

Your Committee has amended the bill by including judges and linesmen among those who may receive modest amounts without those amounts being considered compensation.

Your Committee has further amended the bill by correcting page 3, line 15 to read: "The Amateur Athletic Union, The National Federation of State High School associations, or The National Collegiate Athletic Association."

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 813, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 365 Tourism and Recreation on S.B. No. 1009

The purpose of this bill is to amend the laws of the State relating to tourism.

Your Committee has amended this short form bill by inserting substantive material which will appropriate money for the Festival of the Pacific.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1009, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 366 Tourism and Recreation on S.B. No. 1054

The purpose of this bill is to provide funds to strengthen and expand the Hunter Education Program, Department of Land and Natural Resources.

Your Committee heard supporting testimony from the Department of Land and Natural Resources, Security Equipment Corporation, and Koko Head Skeet Club.

Your Committee has amended the bill to increase the appropriations for each year from \$47,868 in 1991-1992, to \$60,568, and from 48,648 in 1992-1993, to \$62,636.

Your Committee has further amended the bill by removing the first position from the bill, that of a permanent full time assistant hunter education coordinator, and replaced it with the position of conservation education program manager.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1054, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1054, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 367 Tourism and Recreation on S.B. No. 1377

The purpose of this bill is to require the Department of Land and Natural resources to establish and manage a regional state parks interpretive program to be known as the Aina Hoomalu State Parks Program.

Your Committee has amended the bill as recommended by The Friends of 'Iolani Palace by adding that all proceeds collected by the program shall be used to supplement 'Iolani Palace's educational and interpretive programs.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1377, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 368 Tourism and Recreation on S.B. No. 1598

The purpose of this bill is to make an assault against an athletic contest official a misdemeanor.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1598 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 369 Tourism and Recreation on S.B. No. 1678

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to promote tourism through educational programs which promote the appreciation of world cultures and the art of film-making through the showing of international films.

Your Committee heard supporting testimony from the President of the Hawaii International Film Festival, the Interim President of the East-West Center, Japan Airlines, the United Okinawan Association of Hawaii, and the Honolulu Academy of Arts, among others.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1678 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 370 Tourism and Recreation on S.B. No. 1752

The purpose of this bill is to provide funds to employ additional lifeguards at beach parks and parks under the jurisdiction of the State, the City and County of Honolulu, and the counties of Maui, Kauai, and Hawaii.

Your Committee has amended the bill to change all occurrences of "state beaches" to "beaches." Your Committee has also amended the bill to replace all occurrences of the word "parks" with "beaches." Your Committee has further amended the bill by adding the sum of \$1,000,000 to the appropriation on page 2, line 7, and the sum of \$1 to all following appropriations. In addition, your Committee has also amended the bill making all the appropriations effective for each year of the biennium 1991-1993.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 1752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1752, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 371 Employment and Public Institutions on S.B. No. 828

The purpose of this bill is to allow Employees' Retirement System retirees to purchase up to four years of their military service if they retired with at least eight years of credited service.

Your Committee believes that retired public servants who honorably served their country in the armed forces should enjoy additional retirement benefits, especially in light of the extremely healthy condition of the System's assets derived from prudent and productive investments made by the System's Board of Trustees over the past several years.

However, your Committee finds that this bill needs clarification and specific details to enable the buy-back. Therefore, your Committee has amended the bill as follows:

- (1) Specified that retirees with eight years of credited service may be credited with up to two years of military service, while those with twenty years may be credited with up to three years and those with twenty-five may be credited with up to four years;

- (2) Provided that each year of credited military service shall provide an increase of \$36 per month in the retiree's pension or retirement allowance effective April 1, 1992;
- (3) Granted retirees one year, beginning July 1, 1991 and ending June 30, 1992, to claim the military service;
- (4) Provided that military service credited under this prerogative shall not be considered membership service credit or provide for any other benefits under the Employees' Retirement Service laws;
- (5) Restored Section 88-132.5(b) which was deleted from the bill as introduced; and
- (6) Added an appropriation for fiscal biennium 1991-1993 to be expended by the Department of Budget and Finance to carry out the purposes of the bill.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 828, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 372 Employment and Public Institutions on S.B. No. 873

The purpose of this bill is to convene an interim panel of labor and business experts under the leadership of the Director of Labor and Industrial Relations to develop strategies for assisting Lanai workers who have been displaced from their employment in the pineapple or tourist industries and have exhausted eligibility for Unemployment Compensation.

The interim panel will submit a report of findings and recommendations to the Legislature immediately upon completion of its work, after which the Legislature will convene a bicameral interim committee to review the report and develop an appropriate response.

An appropriation is included to carry out these purposes.

After consideration, your Committee has amended this bill by providing for a Labor-Management-Government Committee to develop transitional training and recommendations for assisting displaced Lanai workers. Your Committee notes that the displacement is for the most part impending, rather than a fait accompli. The LMGC shall submit a report to the Legislature, after which it shall be dissolved. The provision calling for a bicameral interim legislative committee is deleted, and an appropriation of \$1 has been inserted to assist displaced Lanai workers. Your Committee finds that as amended this bill will appropriately address the problem.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 873, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 373 Employment and Public Institutions on S.B. No. 1045

The purpose of this bill is to change the maximum salary which the University of Hawaii Board of Regents may authorize for the University's President.

The bill also authorizes the Board of Regents to annually increase the salary cap by an unspecified percent.

Currently the President's salary is set by the Board but statutorily capped at \$95,000, and there is no provision in the law relating to annual raises.

Your Committee finds that the President of the University of Hawaii occupies one of the most important positions in Hawaii's public service. For that reason, the President's salary is a matter of public interest and must be carefully considered.

Your Committee also finds that the Board of Regents should be given the authority to more fully carry out its fiduciary responsibilities towards the University and the community which supplies most of the University's students. Therefore, your Committee has amended this bill by deleting the salary cap and proposed annual raises. By doing so, your Committee is granting the Board complete, unilateral discretion to set the President's salary at the amount the Board finds to best reflect the needs of the University balanced against the needs of Hawaii's taxpayers.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1045, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 374 Employment and Public Institutions on S.B. No. 1256

The purpose of this bill is to make two changes to the laws relating to the Employees' Retirement System.

Section 1 of this bill allows the Director of Finance to send a representative to vote at meetings of the Board of Trustees. Section 2 allows members of the contributory plan (Class A), who elected to join the noncontributory plan (Class C) and subsequently reclaimed contributory status, to purchase the years of service in Class C and obtain benefits for those years under the contributory plan.

Your Committee received testimony from the Director of Finance and finds that Section 1 will enable the Board of Trustees to operate more efficiently while Section 2 will affect a limited number of people at minimal cost to the System.

Your Committee has amended this bill by clarifying that the buy-back of Class C years shall be at the rate of pay enjoyed by the member as of the effective date of this bill, and that the member has until one year after the effective date of this bill to exercise this option. Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1256, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 375 Employment and Public Institutions on S.B. No. 1538

The purpose of this bill is to authorize the Board of Trustees of the Public Employees Health Fund to select for a long-term care benefit plan either a self-insured plan to be guaranteed by the State or a fully insured plan underwritten by an insurance carrier.

Your Committee finds that this flexibility of choice will minimize the financial cost to the State yet improve benefits to long-term care eligible participants.

Your Committee upon further consideration has amended this bill to:

1. Amend Section 87-22, Hawaii Revised Statutes, by deleting Subsection (7) and all related references that a long-term care insurance plan is a form of "health benefits plan";
2. Exclude persons under the age of twenty years from benefits;
3. Exclude persons over the age of eighty-five years from benefits;
4. Permit qualified beneficiaries to enter or remain in the plan on a self-pay basis;
5. Change from the tenth day of each month to the first day of each month, the time for payment of employee contributions;
6. Amend Section 87-2 to require the use of excess funds in the plan to lower contributions or increase benefits; and
7. Add an appropriation amount of \$300,000 for fiscal year 1991-1992 and \$200,000 for fiscal year 1992-1993.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1538, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 376 Transportation and Intergovernmental Relations on S.B. No. 159

The purpose of this bill is to require moped operators to purchase liability insurance as well as make moped rental dealers fully responsible for the payment of fines arising from any violations committed by their renters.

Your Committee finds that a person who operates a moped should be knowledgeable and skilled in the operation of this type of vehicle. Requiring moped operators to be licensed will reduce their hospitalization costs and, more importantly, save lives.

Your Committee has amended this bill by deleting the requirement of liability insurance for operators and the provision which makes moped rental dealers responsible for their renters' violations. In place of these provisions, your Committee has substituted a requirement that moped operators be licensed. Your Committee has set the effective date of the bill at July 1, 1992, to give county licensing authorities adequate preparation time.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 159, S.D. 1, and be referred to the Committee on Consumer Protection and Business Regulation.

Signed by all members of the Committee.

SCRep. 377 Transportation and Intergovernmental Relations on S.B. No. 1022

The purpose of this bill is to issue general obligation bonds in the sum of \$10,000,000 and to appropriate the same sum for fiscal year 1991-1992 for the widening of Farrington Highway from Ala Hema Street to Jade Street, Oahu.

Your Committee finds that the widening of Farrington Highway is badly needed and hence this appropriation will promote the public safety, health, and welfare.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1022, S.D. 1 and recommends that it be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 378 Transportation and Intergovernmental Relations on S.B. No. 1995

The purpose of this bill is to propose a constitutional amendment requiring that real property be assessed only once per owner. Thereafter, the assessed value would increase in accordance with increases in the consumer price index. The property would only be reassessed when ownership changed.

Your Committee finds that skyrocketing property values caused by short-term speculation constitute an important concern of Hawaii residents. A constitutional amendment such as the one proposed would discourage such speculation while protecting our long-term residents.

Your Committee, for the purposes of style and clarity, has made several technical amendments which have no substantive effect.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1995, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 379 (Majority) Planning, Land and Water Use Management on S.B. No. 770

The purpose of this bill is to establish a West Hawaii Development Authority to regulate development within a West Hawaii Development District also established by the bill.

Testimony was presented by the Office of State Planning, the Office of the Mayor of the County of Hawaii, the Department of Land and Natural Resources, the Land Use Research Foundation of Hawaii, and the Japanese Chamber of Commerce of Hilo.

Your Committee recognizes the existence of a state-wide need to oversee development of fast growing regions through a system which coordinates the interests of the State, the counties, and the private sector in providing the infrastructure, services and financing necessary for these growing communities.

Your Committee has amended the bill by:

- (1) Changing the title of the proposed chapter to "West Hawaii Planning and Management Authority," inasmuch as its purpose is to be a joint state and county oversight body for implementing cooperative planning, management, and development for the West Hawaii region;
- (2) Specifying that the Authority shall have nine voting members, rather than six, and be composed of an appropriate mix of state, county, private development and public interest representatives;
- (3) Establishing the West Hawaii Planning and Management District to more properly reflect the Authority's role of joint state and county planning and management. In addition, the bill provides that the county may assume management of the designated West Hawaii district after twenty years through county adoption of a community development ordinance;
- (4) Adding a new section concerning the "District-wide Improvement Program" which is intended to identify and provide necessary district-wide public facilities, and allows the Authority to raise the needed funds for such improvements;
- (5) Adding the definition of "West Hawaii Regional Plan" to incorporate reference to the overall policy planning document for the West Hawaii region prepared by the Office of State Planning. Other portions of the bill have been amended to clarify the Plan's relationship to the Authority's planning and management functions;
- (6) Deleting the definition of "super developer,"; and
- (7) Amending the definition of "public lands" in Section 171-2, Hawaii Revised Statutes, to exclude lands held by the West Hawaii Planning and Management Authority.

Your Committee has also made several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 770, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senators Iwase and George did not concur.

SCRep. 380 Planning, Land and Water Use Management on S.B. No. 1378

The purpose of this bill is to establish a Natural Area Partnership Grant Program to manage private lands which are dedicated to conservation and to appropriate \$500,000 for each of the fiscal years 1991-1992 and 1992-1993 to be paid into a fund to be expended by the Department of Land and Natural Resources for grants under the Natural Area Partnership Grant Program.

Your Committee received testimony which revealed unanimous support of the bill from numerous private and public agencies.

Your Committee finds that the Program espoused by this bill will do much to encourage private landowners to manage lands in a manner consistent with the preservation of native plant and animal species.

Your Committee has amended the bill by delegating complete authority over Chapter 195, Hawaii Revised Statutes, to the Board of Land and Natural Resources and by deleting the exemption from Chapter 42, Hawaii Revised Statutes, for grants awarded by the Program. Your Committee has also deleted the word "forest" from the definition of "landowner" so that all lands are eligible for participation in the program, and made some nonsubstantive technical amendments for the purpose of style.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1378, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 381 Planning, Land and Water Use Management on S.B. No. 1273

The purpose of this bill is to establish a Forest Stewardship Program to assist private landowners in managing lands that are not now recognized as potential natural area reserves.

Your Committee received testimony in unanimous support of this bill from numerous public and private agencies.

Your Committee finds there is great need to provide incentives for the protection and restoration of important watersheds, timber resources, fish and wildlife habitats, and isolated populations of rare and endangered species of plants and animals.

Your Committee has amended the bill as follows:

- (1) Substituted the word "Board" for "Department" throughout the bill;
- (2) Included provisions to allow in-kind value in determining the landowner's cost;
- (3) Replaced the word "unique" with "especially valuable" in Section -6(b)(4) of the proposed new chapter;
- (4) Deleted from Section -6(c)(1) the following: "that is not managed under existing federal, state, or private sector financial and technical assistance programs;" and
- (5) Deleted the Chapter 42 exemption for grants awarded by the Program.

Your Committee has also made minor technical amendments which have no substantive effect.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1273, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 382 Planning, Land and Water Use Management on S.B. No. 1523

The purpose of this bill is to require that thirty-five percent of all royalties collected by the State from geothermal resources be paid to the county where the resource is located.

Your Committee received testimony from a number of interests in both the public and private sectors. Reaction to the concept of revenue sharing in geothermal resources was generally favorable, the only real issue being the percentage allocated to each level of government.

Your Committee finds that a significant portion of geothermal royalties should be made available to the local government where the resource is located. Sharing this source of revenue mitigates the negative impacts of geothermal development. However, in view of the fact that twenty percent of the mining royalties must be paid to the Office of Hawaiian Affairs pursuant to existing constitutional and statutory provisions, and the fact that the State bears the full cost of managing and regulating geothermal resources, your Committee has amended the bill to reduce the amount of royalty payments to the county from thirty-five percent to thirty percent.

Your Committee has also made nonsubstantive technical modifications for the purpose of clarity.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1523, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 383 Planning, Land and Water Use Management on S.B. No. 1595

The purpose of this bill is to appropriate \$253,559 and \$220,119 for fiscal years 1991-1992 and 1992-1993, respectively, to be expended by the Department of Land and Natural Resources to establish an industrial parks planning section under the Land Management Division.

The appropriations will fund urban planner, architect, economist, draftsman, and secretary II positions and pay for current expenses.

Your Committee received supporting testimony from the Chairperson of the Board of Land and Natural Resources and the Sand Island Business Association and finds that an industrial parks planning section is needed to facilitate the planning of industrial parks pursuant to section 171-133, Hawaii Revised Statutes.

Your Committee has amended this bill by adding funds for a data processor and by emphasizing that the industrial parks planning section shall be used only for industrial park planning. Your Committee has also made some nonsubstantive technical changes, including reformatting, for the purposes of clarity and style.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1595, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 384 Planning, Land and Water Use Management on S.B. No. 1525

The purpose of this bill is to establish the Office of Marine and Coastal Affairs in the Office of the Governor to assist the Governor in carrying out the policies, principles, and recommendations of the Hawaii Ocean Resources Management Plan.

Your Committee received supporting testimony from the Department of Business, Economic Development, and Tourism; the Office of State Planning; Mr. Terry O'Halloran, President of the Ocean Recreation Council of Hawaii; the Sierra Club, Hawaii Chapter; Dr. Sherwood Maynard, Director of the University of Hawaii Marine Option Program; and Dr. George Wilkins, Chairman of the 1974 Governor's Task Force which prepared the long-range planning document, "Hawaii and the Sea." Your Committee received no testimony opposing the bill.

In 1988 the Legislature formulated Hawaii's policies on ocean and marine resources and created the Hawaii Ocean and Marine Resources Council for the purpose of developing the Plan and implementing its policies. The Council has now completed its work on the Plan which contains recommended policies, principles, and implementing actions relating to overall ocean and marine resources management, marine ecosystem protection, beaches and coastal erosion, ocean and coastal energy facilities, fisheries, aquaculture and mariculture, commercial and recreational harbors, ocean recreation, waste management, marine minerals, and ocean research and education.

Your Committee finds that the Plan proposed by the Council strengthens the State's ability to implement the policies for the preservation and enhancement of our precious ocean and marine resources. Your Committee further finds that it is imperative that immediate steps be taken to ensure that the policies, principles and recommendations contained in the proposed Plan continue to be developed and implemented.

Therefore, your Committee has amended this bill by moving the functions of the Office of Marine and Coastal Affairs to a Program of the Office of State Planning under the leadership of a new Deputy Director of Marine and Coastal Affairs. Your Committee has also provided for an Advisory Council. This will enable effective implementation of the Plan at a greatly reduced cost as contrasted with the costs associated with creation of a new State office.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1525, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

LCRep. 385 Legislative Management on S.B. No. 1897

The purpose of this bill is to require the legislative analyst to review all bills proposing the issuance of special purpose revenue bonds, to determine the propriety of authorizing such bonds for the person or entity toward whom the measure is directed to, and determine the costs that would be incurred by the entity under other means of financing.

Your Committee finds that due to the size of many of the special purpose revenue bonds, a set of checks and balances must be put into place to insure proper utilization of this service. To that end, this bill will accomplish many of the same things covered in Act 240, Session Laws of Hawaii 1990, pertaining to special and revolving funds.

Your Committee on Legislative Management is in accord with the intent and purpose of S.B. No. 1897 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 386 Tourism and Recreation on S.B. No. 2114

The purpose of this bill is to provide funds for the planning, designing, and engineering the Ala Moana gateways to Waikiki.

Your Committee heard supporting testimony from The Myers Corporation, Hilton Hotels Corporation, Waikiki Improvement Association, Outrigger Hotels Hawaii, and the Department of Transportation.

Your Committee has amended the bill by adjusting the amount of the appropriation from \$2,800,000 to \$2,000,000 for the purposes of this Act. Your Committee has further amended this bill by deleting the second project in the Ala Moana Gateway Improvement Project, namely the improvements to the Ala Wai Boat Harbor.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 2114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2114, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 387 Employment and Public Institutions on S.B. No. 818

The purpose of this bill is to provide for the establishment and regulation of parental leave by the Department of Labor and Industrial Relations. The bill's effective date for government employees is January 1, 1992, and for employees in the private sector, January 1, 1994, to allow sufficient time to promulgate rules for administration and enforcement of the Act.

Your Committee finds that employees who have become parents either through child birth or adoption often require leave from employment for an extended period to better cope with their new circumstances. This bill provides them with the means for doing so.

Upon consideration your committee has amended the bill as follows:

1. Deleted the term "Reduced leave schedule" in the definitions section;
2. Included provisions for adoption in the definition of "son or daughter" and in other sections of the proposed chapter where appropriate;
3. Inserted the word "consecutive" in section -3;
4. Deleted the provisions for a tax credit to the employer in Section 3 of the bill;
5. Appropriated funds for administration and enforcement; and
6. Made clarifying language changes for the purpose of consistency and conformance with recommended drafting style and made other technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 818, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 388 Employment and Public Institutions on S.B. No. 1166

The purpose of this bill is to clarify the policy regarding disclosure of the names of public agency personnel named in formal charges.

Specifically, the bill amends the Uniform Information Practices Act (Modified) by providing that the names of the accused and accuser shall be withheld from public disclosure until disposition of the charge.

Your Committee notes that this bill arises out of the continuing controversy relating to disclosure of the names of University of Hawaii personnel formally charged with sexual harassment. However, disclosure of names of individuals against whom formal or informal charges or complaints have been lodged is an issue that may arise in any area of the public sector and may involve collective bargaining provisions as well as codified statutes or rules adopted by a particular public agency.

Because of the profound implications inherent in this issue, your Committee has amended this bill by adding clear and unequivocal language guaranteeing the right of any public employee against whom a formal charge has been lodged the right to a fair and impartial hearing, the right to be informed of the nature and cause of the accusation, the right to confront the accuser and question and present witnesses, and the right to counsel. Information relating to the formal charge may not be released unless the accused has been disciplined and the disclosure includes the names of both the accused and the accuser.

If the accused is not afforded the due process described above, information relating to the accusation may not be disclosed. If the handling of a complaint was or should have been subject to a grievance procedure under a collective bargaining agreement negotiated pursuant to Chapter 89, Hawaii Revised Statutes, any disclosure relating to the complaint shall be governed by the terms or practice of the grievance procedure.

Your Committee believes that these provisions appropriately balance the right of public servants to due process and the right of the public to be informed on matters relating to the public interest.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1166, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 389 Employment and Public Institutions on S.B. No. 1245

The purpose of this bill is to authorize the Governor to provide a supplemental benefits option to state executive and managerial personnel through establishment of a tax deferred life annuity program consistent with Internal Revenue Code Section 457.

Your Committee finds that this program will help make the State competitive with the private sector and thereby enhance recruitment and retention of qualified personnel to government service.

Your Committee has amended this bill by deleting excluded managerial white collar employees, and by making technical changes which have no substantive effective.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1245, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 390 Judiciary on S.B. No. 795

The purpose of this bill is to appropriate monies from the State's general revenues to fund a staff position for the Chief Justice's Committee on Gender and Other Fairness.

Your Committee received testimony in support of this bill from the Judiciary, the Hawaii State Bar Association, Hawaii State Coalition Against Sexual Assault, Hawai'i Women's Political Caucus, Hawaii Civil Rights Commission, Hawaii State Commission on the Status of Women, Child and Family Service, Hawaii Nurses' Association, Young Women's Christian Association of Oahu, American Association of University Women, and private citizens.

The Judiciary testified that the staff member hired will be responsible for monitoring the implementation of the committee's recommendations, such as: (1) establishing educational programs for the legal community and administration; (2) amending attorneys' and judicial ethics codes to prohibit membership in organizations that discriminates on the basis of sex, race, religion or national origin; (3) reviewing judiciary job descriptions and policies to eliminate inappropriate gender references; (4) establishing a confidential reporting system to review complaints against attorneys, judges or judicial employees; (5) making recommendations for innovation programs; (6) working with the University of Hawaii's William S. Richardson School of Law to sensitize students to these issues; and (7) develop and disseminate publications and brochures to the legal community.

Gender bias in the court system has been well documented throughout the United States. Your Committee finds that gender bias, as well as the perception of gender bias, undermines the very foundation upon which the legal system rests; namely the premise that justice is to be administered impartially. The elimination of gender bias in the courtroom and other areas of professional interaction is essential and unquestioned.

Your Committee amended the bill in three particulars:

(1) The findings and purpose section has been amended to give a detailed account of the background and purpose of the Committee on Gender and Other Fairness.

(2) Language has been added to legislatively recognize the committee within the Judiciary, and its duties, functions and responsibilities.

(3) Specific appropriation figures have been included for the funding of a staff position necessary to carry out the recommendations of the committee.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 795, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 391 (Majority) Judiciary on S.B. No. 1584

The purpose of this bill is to protect the consumer and restore consumer confidence in the safety and effectiveness of drug products and to clarify and make technical amendments to sections of Chapter 328 on drug products. Specifically, the bill:

- (1) Permits any person to bring legal action against a drug manufacturer who obtained federal Food and Drug Administration approval for a drug through fraud and deceit;
- (2) Requires any entity that obtains approval for a drug through fraud or deceit to establish a trust fund to indemnify the State against future claims;
- (3) Allows a dispenser to refuse to substitute a generic drug if, in the dispenser's judgment, substitution is not in the best interest of the consumer;
- (4) Provides procedures for maintenance and review of records concerning the dispenser's decisions not to substitute;
- (5) No longer allows the formulary to be changed by the formulary board without following certain provisions of Chapter 91, Hawaii Revised Statutes;
- (6) Bars a person from addressing the formulary board if the person has been found to have knowingly made false or misleading statements to the board regarding the addition or removal of a drug from the formulary; and
- (7) Clarifies and makes technical amendments to provisions of Chapter 328 pertaining to drug products.

Your Committee received testimony in favor of the bill from the Department of Health and the Hawaii Medical Association.

Your Committee amended this bill by deleting the first section pertaining to causes of action against drug manufacturers and an indemnity trust fund, because your Committee received no testimony explaining the need for this section. The remaining matters pertaining to regulation of drug dispensers and formularies will be better addressed at the Committee on Health and Human Services.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1584, S.D. 1, and be referred to the Committee on Health and Human Services.

Signed by all members of the Committee except Senator Koki.
Senator Tungpalan did not concur.

SCRep. 392 Judiciary on S.B. No. 1797

The purpose of this bill is to provide greater protection to victims of domestic violence by amending the police and court procedures used in domestic violence cases and appropriating funds to implement provisions of this bill.

More specifically, the bill:

- (1) Gives police officers discretion to refrain from arresting family members who are acting in self defense while requiring the officers to arrest the primary aggressor;
- (2) Sets forth the factors to be used in identifying the primary aggressor;
- (3) Mandates counseling for the first offense of abuse and criminal penalties for subsequent offenses;
- (4) Requires hearings to prove compliance with counseling order and to prove fitness to return home; and
- (5) Appropriates funds to the Family Court to carry out the provisions of this bill, including the hiring of staff.

Your Committee received testimony from the Judiciary, the Department of Public Safety, the Office of the Public Defender, the Hawaii State Commission on the Status of Women, the Honolulu Department of the Prosecuting Attorney, the Honolulu Police Department, the Hawaii State Coalition Against Sexual Assault, Hawaii Women's Political Caucus, the Hawaii Nurses' Association, the American Association of University Women, Hawaii Women Lawyers, Child and Family Service, and private citizens.

Your Committee finds that although there was strong support in favor of the intent of this bill, there were also strong reservations about its specific contents. Various groups and agencies expressed concerns about: (1) the required police response to domestic violence incidents; (2) the deletion of mandatory jail and counseling currently required in all cases; (3) the criteria to be used in identifying the primary aggressor; (4) the provisions for progressive sentencing of offenders; and (5) the issues to be determined at the proof of compliance hearing.

At the request of your Committee, representatives of the various groups and agencies met to discuss the disputed aspects of the bill. After a lengthy discussion, the group reached a consensus that the issues raised must be addressed before there can be major changes to section 709-906, Hawaii Revised Statutes.

However, the group members agreed on provisions that should be changed; in particular, provisions regarding proof of compliance to assure that court orders for counseling and other conditions of a sentence under section 709-906, Hawaii Revised Statutes, are complied with by the offender.

After due consideration of the testimony and the suggestions by the group, your Committee amends the bill as follows:

1. Reverts provisions of section 709-906, Hawaii Revised Statutes, to its original form except for a few minor grammatical changes and additional language to require a proof of compliance hearing on a date set at the time of sentencing. The defendant's appearance at the hearing can be waived if a court officer has verified compliance prior to the hearing date;
2. Inserts an amount of \$115,008 to handle the added workload; and
3. Changes the effective date so that the court is appropriated funds before the court procedures take effect.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1797, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 393 Judiciary on S.B. No. 1839

The purpose of this bill is to require convicted sex offenders and certain career criminals to submit to DNA testing of blood and saliva samples for data collection, and to appropriate \$100,000 to carry out the provisions of this bill.

Your Committee received testimony in favor of the bill from the Attorney General, county prosecutors and police departments.

The Attorney General testified that DNA testing will deter repeat offenses by sex offenders and career criminals by obtaining a DNA "fingerprint" that will lead to the quick identification of any recidivist. A DNA "fingerprint" obtained and stored for access by law enforcement will provide an accurate and foolproof means of identifying offenders who may leave bodily fluids, such as blood, semen, hair, or other tissue during the commission of an offense.

Your Committee also heard concerns regarding: (1) the constitutionality of the bill, because it requires submission of blood samples for use in future crimes; (2) the lack of procedures and standards to ensure reliability; (3) the broad range of offenses covered; and (4) the complexity of implementing the provisions of the bill.

Your Committee finds that DNA testing and collection can be a valuable tool in the prosecution of serious offenders as well as in the investigation of an offense, particularly in those cases in which the offender leaves no telltale fingerprints at the scene of the crime.

Your Committee believes that this bill is constitutional, but recognizes that it will probably be challenged.

Your Committee recognizes that procedures and standards will need to be adopted in order for the results to be admissible in court. It is not clear to your Committee if the codification of standards and procedures is desirable, so we have not done so. Nationwide standards will inevitably be developed, so that states may exchange information without issues of validity. Codified procedures and standards might inhibit Hawaii's participation. This is similar to fingerprinting, where standards are not codified.

Your Committee finds that it is reasonable to include a broad range of sexual offenses, because statistics show that sexual offenders are not merely recidivistic but tend to progressively commit more serious offenses over time.

While implementation may be complex, Hawaii is not initiating a unique program. Eight other states -- Arizona, California, Florida, Illinois, Iowa, Minnesota, Virginia and Washington -- now have legislation establishing procedures for DNA testing and for maintaining a databank of the profiles obtained. We can seek assistance from these states as well as the Federal Bureau of Investigation in establishing our program.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1839, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Cobb.

SCRep. 394 Judiciary on S.B. No. 1842

The purpose of this bill is to appropriate funds to implement a comprehensive statewide plan to reduce substance abuse in Hawaii through prevention, law enforcement and treatment and to require health care insurers and providers to report information regarding drug abuse treatment.

The statewide plan, which is the focus of this bill, was developed by the collaborative efforts of various state, local and private agencies involved in the research, treatment and reduction of substance abuse. In 1990, after reviewing preliminary findings by the Department of the Attorney General and Office of State Planning, the Governor created a committee made up of various agencies to review efforts currently being made to address substance abuse issues and to make recommendations to better coordinate and improve upon these efforts. The findings and recommendations of this committee was published in a report released in January of 1991 entitled A Report to the Governor on the Hawaii Statewide Drug Prevention and Control Strategy: An Overview and Action Plans. This bill is intended to provide a vehicle to implement these recommendations.

Your Committee received testimony in favor of the bill from the State Attorney General, the Judiciary, the Department of Public Safety, the Department of Health, Coalition for a Drug-Free Hawaii, the Hawaii Advisory Commission on Drug Abuse and Controlled Substances, Hawaii Alcoholism Foundation, and Hina Mauka.

Although there was unanimous consensus on the intent of the bill, there were some concerns expressed that, due to current funding constraints, this bill should not displace funds contained in other budgets, namely those addressed in the Administration's budget.

Your Committee finds that the issue of prioritizing budgets is better addressed by the Committee on Ways and Means. However, your Committee finds that the overall intent of the bill is commendable.

Your Committee amended section 23 of the bill to designate the Department of the Attorney General, rather than the Judiciary, as the expending agency for the appropriation for the gathering of drug information on juvenile offenders. Your Committee also made nonsubstantive technical amendments to section 4 and section 11, as requested by the Department of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1842, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 395 (Majority) Judiciary on S.B. No. 2013

The purpose of this bill is to permit bona fide religious, charitable, service, fraternal, veteran and nonprofit organizations to conduct bingo games, raffles and lotteries under limited circumstances, which are to be regulated by a bingo control board and a statewide lottery commission.

Your Committee received testimony from the Honolulu Police Department, the First Christian Church, the Hawai'i Council of Churches, and the Hawaii District of the United Methodist Church.

Your Committee believes that this bill is warranted because it is clear that the specified organizations are increasingly called upon to provide services and benefits to the community which are beyond the scope of available government programs. These organizations are a substantial part of the "thousand points of light" which are frequently referred to by the President of the United States.

Your Committee believes that it should be our State's policy to encourage the support of such organizations. Passage of this bill will provide these organizations with additional fundraising options for needed revenue, which in turn will improve services and benefits to the community.

Your Committee amended this bill to delete the portions pertaining to a state lottery, which is addressed in another bill, S.B. No. 711. The concerns raised by opponents to a state lottery are therefore also addressed in your Committee's report on that bill.

As with the lottery issue, opponents' primary argument was that legalizing forms of gambling will impoverish more than it enriches and that social programs funded will not offset the increase in demand for social programs that results from the unwise participation in these games by those unable to afford the indulgence. Your Committee, however, received no statistics or data that would substantiate this argument.

Despite the paucity of legitimate data support this argument, this bill provides safeguards to insure that the its purposes are served while limiting any detrimental impact that it may have on those persons who are the subject of opponents' concern. Specifically, the bill:

(1) Makes issuance or renewal of licenses to conduct these games contingent upon compliance with the filing of financial statements and showing that profits will be and are being used for the purposes prescribed in the bill. Criminal penalties and fines are also provided to insure compliance;

(2) Requires the Department of Commerce and Consumer Affairs to make a continuous study of the operation of the provisions of the bill to ascertain if there are defects which jeopardize or threaten to jeopardize the purpose of these provisions and to make a continuous study of the operation and administration of similar laws in other states;

(3) Limits the number of bingo and raffle games that can be conducted by the organization;

(4) For bingo games, limits the value of the prizes that can be awarded and excludes minors for places where bingo is played; and

(5) For raffles, limits the cost of raffle tickets.

With these safeguards, and one other added by your Committee, your Committee is confident that the benefits of these games will very greatly outweigh any negative impacts.

Opponents' second argument was that that bingo games and raffles are forms of gambling and therefore immoral. Your Committee believes that assessment of the morality issue should be left to the individual. Those who view these bingo games and raffles as immoral are under no obligation to participate.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2013, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senators Koki and Reed did not concur.

SCRep. 396 Planning, Land and Water Use Management on S.B. No. 925

The purpose of this bill is to amend the laws of Hawaii relating to the environment.

Your Committee has amended this short form bill by inserting appropriations of \$1,500,000 for fiscal years 1991-1992 and 1992-1993, respectively, to be expended by the Department of Land and Natural Resources on the closure of the Kealakehe Landfill on the island of Hawaii, provided that matching funds are provided by Hawaii County.

Your Committee finds that Kealakehe Landfill represents a substantial health and environmental hazard and is unsuitable to the needs of the area. A new and better site has already been selected and can be made operational as soon as the current site is closed. In view of these circumstances, your Committee considers immediate closure to be in the public interest and for the public health, safety, and welfare.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 925, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 397 Agriculture and Environmental Protection on S.B. No. 924

The purpose of this bill is to provide various appropriations for agricultural programs.

Your Committee has amended this bill by adding a number of additional programs with \$1 appropriations and deleting the appropriation for promotion of pineapple which will be addressed in another vehicle. Your Committee defers to the Committee on Ways and Means to specify the amount of appropriations actually needed.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 924, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 924, S.D. 2.

Signed by all members of the Committee except Senator Reed.

SCRep. 398 (Joint) Consumer Protection and Business Regulation and Housing and Hawaiian Programs on S.B. No. 179

The purpose of this bill is to provide funds to establish a permanent professional position to administer the registration of condominium projects, public reports, the owner-occupant provisions of chapter 514A, Hawaii Revised Statutes, and limited-equity cooperatives.

Your Committees finds that over the years, there has been an evolution in the complexity and types of condominium projects. Condominiums can be two detached or attached units, a cluster of detached or attached units, townhouses, high rises, and integrated into a single family home development. In addition, condominium projects are established for a variety of uses and are often a mixture of types and forms of ownership.

Your Committees on Consumer Protection and Business Regulation and Housing and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 179 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 399 Transportation and Intergovernmental Relations on S.B. No. 1224

The purpose of this bill is to provide a general excise tax exemption for the operator of a county mass transportation system, including bus and automated guideway systems, operating under contract with the county.

Your committee heard testimony from the Department of Taxation and the City and County of Honolulu Department of Transportation Services.

Your Committee has amended this bill by limiting the exemption to bus systems operating under contract with a county on the effective date of the bill.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1224, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Aki and Yamasaki.

SCRep. 400 Transportation and Intergovernmental Relations on S.B. No. 1269

The purpose of this bill is to require a court to revoke the driver's license of any person convicted of a crime involving the death of another, when the death results from the person's operation of a motor vehicle. The bill also establishes procedures which would allow the person whose license was revoked to petition the court for permission to apply for a new drivers' license, however, persons convicted of murder or attempted murder in the first degree would be precluded from petitioning the court for relicensing.

Your Committee received supporting testimony from the Department of Transportation, the Attorney General, the Prosecutor's Office, the Police Department of the City and County of Honolulu, and the counties of Hawaii, Kauai, and Maui.

Your Committee finds that this bill is consistent with current law which mandates that the courts revoke the licenses of those convicted of vehicular manslaughter.

Your Committee has amended this bill by deleting the mandatory waiting period before an offender may petition for license renewal and the lifetime revocation for those convicted of the offenses of murder and attempted murder in the first degree, as well as those whose licenses are revoked subsequent to the granting of a petition for relicensing.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1269, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Aki and Yamasaki.

SCRep. 401 Housing and Hawaiian Programs on S.B. No. 715

The purpose of this bill is to appropriate funds to be expended by the Office of Hawaiian Affairs during fiscal biennium 1991-1993 to conduct a statewide inventory of Hawaiian cultural and historic items.

Your Committee finds that such an inventory is needed to complete a historic preservation package.

Your Committee has amended the bill by inserting a proviso that the appropriated funds shall be matched dollar-for-dollar from revenue received by the Office of Hawaiian Affairs from sources referred to in Section 10-13(b), Hawaii Revised Statutes.

Your Committee has further amended the bill to include \$37,500 as the appropriated amount in each of the years of the biennium.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 715, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 715, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 402 Housing and Hawaiian Programs on S.B. No. 976

The purpose of this bill is to amend the laws of the State relating to the Housing Finance and Development Corporation.

Your Committee has amended this bill by inserting an appropriation of \$1,000,000 for fiscal year 1991-1992 to be expended by the Housing Finance and Development Corporation to conduct a study of the feasibility of establishing an urban rental housing development program.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 976, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 403 Housing and Hawaiian Programs on S.B. No. 999

The purpose of this bill is to amend the laws of the State relating to public lands.

Your Committee has amended this short form bill by inserting substantive material which will require an appraisal in the event public land is disposed of and the Department of Hawaiian Home Lands or the Office of Hawaiian Affairs is to receive payment of revenue entitlements.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 999, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 404 Housing and Hawaiian Programs on S.B. No. 1255

The purpose of this bill as received was to address the serious issue posed by leasehold residential condominiums and cooperatives by providing the lessor of the ground lease with a choice of either participating in a lease to fee conversion or capping the lease rents. Your Committee held extensive hearings on leasehold reform measures and received over two hundred and fifty pieces of testimony on the bills.

Your Committee finds that the continuing shortage of housing combined with the State's extraordinarily high housing costs makes land reform for condominiums and housing cooperatives imperative. Your Committee finds that the bill as introduced is not the best vehicle for this land reform. Your Committee has amended this bill by removing its existing provisions and replacing them with a mandatory program that would restructure the contract between the lessor and lessee so that:

- (1) The land would go through a leasehold conversion procedure that would condemn the defeasible fee interest in the land;
- (2) The lessor would receive half the value of the fee interest valued at its highest and best use, and thirteen per cent of the actual price or tax assessed value of the total unit, whichever is higher, on each subsequent sale or transfer of the unit in perpetuity; and
- (3) The lessee would receive fee title to the land, providing the fee is subject to defeasance and transfer back to the lessor if a lessee ever fails to pay the lessor the thirteen per cent upon resale or transfer.

Your Committee finds that the leasehold problem is such a serious one that the State must use its police powers to reformulate the lease contract between the parties and protect the welfare of its people. Your Committee further finds that each of the parties will benefit from these provisions. Lessees shall benefit as the spectre of increased lease rents will no longer threaten their home ownership, and lessors will benefit as they still retain a tie to the land and they and their heirs will share in the increase in value of the land forever.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1255, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 405 Housing and Hawaiian Programs on S.B. No. 1551

The purpose of this bill is to appropriate funds for the planning and design of the Lualualei Paheehee Ridge Agriculture Subdivision.

The Pahe'ehe'e Ridge Association, The Gibson Foundation, The Department of Hawaiian Home Lands, and The State Council of Hawaiian Homestead Associations testified in favor of the bill but each differed on the amount of funds necessary to accomplish the objectives of the project.

Your Committee has amended the bill to establish the amount of the appropriation at \$4,442,000 and to delete the itemization in the original bill.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1551, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 406 Housing and Hawaiian Programs on S.B. No. 1662

The purpose of this bill is to appropriate \$200,000 for fiscal year 1991-1992 and \$200,000 for fiscal year 1992-1993 to be expended by the Department of Human Services for the programs and services of the Nanakuli Neighborhood Housing Services Agency.

Your Committee finds that many homes in the Nanakuli area are in need of repair but residents are below the income level to qualify for conventional home improvement loans. This bill will provide funds for low interest loans for housing repair and for necessary counseling services to residents of the community.

Your Committee has amended the bill to provide that the expending agency is the Housing Finance and Development Corporation instead of the Department of Human Services.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1662, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 407 Education on S.B. No. 543

The purpose of this bill is to establish a Teacher Standards Board to provide certification for entry into the teaching profession.

Under this bill, certification will be mandatory for all teachers beginning with the 1994-1995 school year, but provides a grandfather clause for current holders of a teaching certificate.

After hearing testimony on this measure and participating in numerous discussions on this issue, your Committee has amended the bill to reflect your Committee's best assessment of the most appropriate approach toward the implementation of a Teacher Standards Board. Your Committee emphasizes that the amendments do not necessarily reflect the positions of the parties involved with developing and administering a Teacher Standards Board, and that continuing dialogue and discussion on this issue is necessary.

Your Committee has amended this bill by:

- (1) Providing that the Department of Education and the Teacher Standards Board share the responsibility for implementing the concept of teacher certification;
- (2) Reducing the number of board members from eleven to nine, and specifying the composition of the board to include four tenured teachers with not less than five years of teaching experience, two representatives of the public, one school administrator with not less than five years of work experience as a school principal, the Superintendent of Education or designated representative, the Dean of the University of Hawaii College of Education, and the President of the Statewide Student Council;
- (3) Providing for the appointment of members to the Board by the Governor;
- (4) Giving the Board authority to formulate teacher certification policies, subject to veto by a two-thirds majority (nine out of thirteen) of the full Board of Education;
- (5) Authorizing the Department of Education to fill vacant teaching positions with applicants who do not possess the certificate required for the vacant position if an insufficient number of applications are received for the position and a public classified advertisement is published for two consecutive weeks in a newspaper of statewide circulation;
- (6) Deleting all references to the collection of fees and the establishment and administration of a special fund;
- (7) Authorizing the Board to serve as the final adjudicating authority for certification appeals relating to suspension, revocation, and issuance and non-issuance of certificate;
- (8) Providing for the certification of teachers to begin with the 1992-1993 school year;
- (9) Providing for penalties of not more than \$500 for any person who teaches without a certificate, and any person who knowingly employs uncertified teachers;
- (10) Requiring the Legislative Auditor to submit an evaluation report to the Legislature three years after inception of the Board and at least once every ten years thereafter;
- (11) Requiring the Legislative Auditor to provide a copy of the report to the Board for review and comment at least thirty days prior to submission of the report to the Legislature, and providing for the Board to be automatically renewed for one year if the Auditor does not provide the Board with a copy of the report in a timely manner;
- (12) Providing for all administrative and operational functions to implement the policies of the Board to be under the jurisdiction of the Department of Education;
- (13) Appropriating \$67,708 for fiscal biennium 1991-1993 for start-up costs for the Board; and
- (14) Requiring the Board to submit a status report to the Legislature prior to the convening of the 1992 regular session.

It is your Committee's intent that the Teacher Standards Board focus on the development of policy for teacher certification and that the Department of Education focus on the implementation and administration of the policies.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 543, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 408 Education on S.B. No. 1381

The purpose of this bill is to establish a Commission for Performance Standards within the Department of Education to set the performance standards of achievement expected of students in public schools and the means to assess them.

Your Committee heard supporting testimony from the Department of Education, Hawaii State Teachers Association, and Hawaii Business Roundtable.

Your Committee finds that one of the unresolved issues in Hawaii's educational system is accountability. It is difficult to determine the success or failure of the system in meeting the central goal of education: students' ability to lead full and productive lives. Your Committee further finds that to ensure that students in Hawaii's public school system are able to master basic skills and essential competencies necessary to succeed in life, standards of achievement must be established.

Your Committee has amended the bill to:

- (1) Providing that all commission members' terms shall terminate on June 30, 1993;
- (2) Requiring the commissioners to conduct public forums to obtain broad based community input on student performance standards; and
- (3) Making several nonsubstantive, technical amendments for the purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1381, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 409 Education on S.B. No. 1901

The purpose of this bill is to establish an international flight training center at the University of Hawaii, to provide professional pilot education and training for the Pacific Basin.

Your Committee heard supporting testimony from the Department of Transportation, Toyota Aviation, Discovery Airways, United Airlines, and Aloha Island Air.

Your Committee has amended the bill by deleting the provision that places the program under a dean or a director to be appointed by the President of the University of Hawaii with approval by the Board of Regents.

Technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1901, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Solomon.

SCRep. 410 Education on S.B. No. 2068

The purpose of this bill is to create the Hawaii Educational Facilities Authority and makes an appropriation for student housing.

Your Committee believes that providing for the welfare of Hawaii's youth should be one of the State's highest priorities. It is essential that future generations are given the greatest opportunity to learn and to fully develop their intellectual and mental capacities and skills. Therefore, your Committee has amended this bill by providing a mechanism for private, nonprofit institutions of postsecondary education to finance certain capital improvement projects.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 2068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2068, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 411 Employment and Public Institutions on S.B. No. 1373

The purpose of this bill is to lower the taxable wage base for unemployment insurance contributions for calendar year 1991.

Presently, the taxable wage base is one hundred percent of the state annual wage, which based on current calculations would be \$21,400 for 1991. This bill will lower the tax base to \$7,000, representing a savings to employers of some \$46 million, or \$75 million when coupled with the negative 0.5 per cent solvency adjustment applied to the Unemployment Insurance contribution rates, a result that your Committee finds warranted in view of the approximately \$400 million balance currently at rest in the Unemployment Insurance Trust Fund. In addition, these savings will most likely be reinvested in Hawaii's economy.

Your Committee also finds that this bill should be enacted no later than mid-March, 1991 in order that employers may immediately benefit from the lower tax base. Therefore, your Committee urges expeditious treatment of this measure in furtherance of the public interest.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1373, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 412 Employment and Public Institutions on S.B. No. 1706

The purpose of this bill is to amend the Employment Security Law to provide a more equitable distribution of tax reductions among all employers when the Unemployment Compensation Fund is at levels deemed adequate to meet anticipated benefit payments during periods of severe economic recession.

Your Committee finds that this bill should be adopted, though not necessarily as received. Your Committee, therefore, has incorporated amendments to the Employment Security Law which your Committee believes will provide needed temporary and longer-term relief for Hawaii's business and economy, its employers, and its workers.

The integrity of the present system to gather sufficient moneys to cover anticipated benefit costs cannot be doubted. However, it has been criticized in some quarters as having a tendency for overaccumulation and there have been several proposals during the last decade for drastic contribution reductions. The Legislature responded by temporarily reducing the taxable wage base from the State average annual wage to fifty percent thereof for calendar year 1988, but your Committee notes that this method of reducing contributions does not evenly spread reductions among employers with similar unemployment experiences.

Instead of the present two-table system of basic contributions and fund-solvency contributions or the two-tier contribution system proposed in this bill, your Committee has adopted a single contribution table with eight schedules that would be applicable as the Fund balance fluctuates from one level of theoretical adequacy to cover foreseeable benefit requirements to another. The given levels are stated in terms of the ratio derived by comparing the current Fund balance against what the benefit cost would be if the worst one-year experience during the preceding ten years were to recur. In substance, this system is not a radical departure from the present one, but it is simpler in form and concept, would result in more gradual increases or decreases in contributions, and prescribes lower contribution rates for all employers except those with the worst unemployment experience, when the Fund is healthy. It will be more equitable than periodically reducing the taxable wage base, and it will not have an apparent tendency for overaccumulation of funds in good times for which the present two-table contribution schedule has been faulted.

Your Committee is mindful that what has been deemed adequate by the law to cover foreseeable needs in the past has not always turned out to be adequate in fact. Therefore, it has amended the definition of "adequacy" so the fund will not be deemed adequate unless it can last for one and one-half years, rather than a year, in the face of the worst one-year experience during the preceding ten years.

The adoption of this bill will result in a substantial reduction of contributions in 1992. At the current rate of contributions under the two-table system of basic and Fund solvency contributions, the estimated 1992 contributions would amount to approximately \$95,000,000. Under this bill as amended they would amount to approximately \$46,000,000. What the amount will actually be will depend, of course, on the actual experience of the Fund in 1991. But the foregoing illustrates how the new system operates under given conditions to reduce contributions.

Your Committee has also provided for establishment of an Employment and Training Fund to respond to the demands for worker training. An assessment of .05 percent will raise approximately \$3,750,000 to finance the operations of the State Employment Service for which federal funds are not allocated, to fund programs to meet the needs of high-growth occupations and new and expanding industries, to assist workers in overcoming employment barriers, and to assist workers in improving employment prospects.

Your Committee has also amended this bill by (1) changing the formula for calculating an eligible individual's weekly benefit amount from .025 percent of his total wages for insured work during the calendar quarter of his base period in which such wages were highest to .021 percent of such wages; (2) changing the total amount the individual must earn during the base period to qualify for benefits from thirty to twenty-six times his weekly benefit amount; and (3) changing from \$2 to \$50 the amount that could be deducted from an individual's weekly benefit if he has earnings in part-time employment.

Your Committee finds that these benefit adjustments are necessary to restore the purchasing power of unemployed persons that has eroded through the taxation of benefits. The change in the benefit calculation formula from .025 to .021 percent of an individual's high quarter wages will approximate the amount of taxes the benefits would be subject to. The change in qualifying wages from thirty times to twenty-six times the individual's weekly benefit amount is necessary to prevent the foregoing benefit adjustment from having an adverse effect of disqualifying claimants.

Your Committee has also changed the maximum weekly benefit to seventy percent rather than sixty-six and two-thirds percent of the state average weekly wage. Without this change a sizeable number of workers who earn more than the state average weekly wage would be without any form of benefit adjustment.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1706, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 413 Health and Human Services on S.B. No. 1340

The purpose of this bill is to establish a Long Term Care Fund Authority to design and administer a state long term care program for Hawaii's people.

Your Committee has amended this bill by removing the provisions establishing a Long Term Care Fund Authority and substituting provisions to establish a Long Term Care Financing Board to make recommendations concerning the establishment of a comprehensive Long Term Care Financing Program. Your Committee finds that establishing an

authority with powers as drafted in the bill as received is premature. A more thorough and better designed program can be established by the use of a board created especially to recommend guidelines for the establishment of such an authority.

Your Committee has also inserted an appropriation of \$1 for purposes of further discussion.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1340, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 414 Health and Human Services on S.B. No. 1347

The purpose of this bill is to clarify child protective services provided by adoption, foster care, and guardianship.

Your Committee has amended the bill as follows:

- (1) Removing Section 560:5-207 and Section 5605-209 Hawaii Revised Statutes, because they will remain untouched.
- (2) Removing the definitions of Guardianship, interim guardianship, permanent foster custody, reasonable efforts;
- (3) Changing the title of Section 587-25 to Safe family home guidelines
- (4) Re-specifying the determinants of a safe family home;
- (5) Specifying the contents of a permanent plan;
- (6) Adding a court review of each petition to determine whether the child may remain in current living conditions;
- (7) Addition of a child's protective proceedings being held in private separate from the adults and without a jury;
- (8) Adding to provisions of a court protection order that the child may be ordered not to be removed from a certain location, not interfere with the physical, legal, foster, or permanent custody, and report any violation of an order to appropriate law authorities;
- (9) Allowing the court to consider evidence relevant to the adjudication provided that the court shall consider all prior or current information;
- (10) Allowing the court to enter an order sustaining the petition if the child is still in danger of being harmed;
- (11) Addition that in any case where a permanent plan hearing is not deemed appropriate the courts must set the case for a review hearing within six months.
- (12) Addition of several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1347, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Levin and Yamasaki.

SCRep. 415 Health and Human Services on S.B. No. 1587

The purpose of this bill is to expand the Medical Treatment Decisions Act to apply to a wider range of persons wishing to execute a living will or appoint a proxy decisionmaker. Specifically, the bill would:

- (1) Allow the removal of nourishment and hydration pursuant to a written declaration or instructions given by a proxy decisionmaker;
- (2) Provide for the use of a written declaration, which can include designation of a proxy decisionmaker, when a patient is diagnosed as being in a deep coma or a persistent vegetative state or as having lost the capacity to participate in medical treatment decisions with no reasonable expectation of regaining this capacity; and
- (3) Limit revocation of a written declaration to a competent declarant.

Your Committee received testimony in support of this measure from the Department of Health, the American Civil Liberties Union of Hawai'i, and the Life Foundation.

Your Committee has amended this bill by:

- (1) Adding "secondary to severe neurological or brain damage" to the definition of "permanent loss of the ability to interact with others";
- (2) Deleting the notarization requirement for a written declaration and replacing it with optional notarization;

- (3) Clarifying wording of the suggested form of written declaration to ensure that all persons understand that they may request that treatment be continued if so desired and that they may request that nourishment and hydration be withdrawn; and
- (4) Strengthening the language explaining that the sample given in SECTION 4 is only a sample and to be used as a basis from which to structure an individual declaration.

Your Committee finds that this bill as amended will address many concerns of those who wish to control all aspects of their medical treatment including refusal of treatment while also protecting those who wish to continue treatment at all costs. It is not the intent of this bill to force the withdrawal of treatment from any person who wishes it continued.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1587, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 416 (Joint) Tourism and Recreation and Culture, Arts, and Historic Preservation on S.B. No. 1131

The purpose of this bill is to provide funds to establish Mount Olomana State Park.

Your Committees heard supporting testimony from the Save Mount Olomana Association, Kailua Neighborhood Board, Hawai'i Rainbow Coalition, and the Maunawili Community Association.

Over the last few years, great debate has been raised about the future of Mount Olomana. The people of the area have been fighting to keep it, while developers try to break it up. This issue is a very emotional one and requires solid answers not quick-solve ones. However, community support has rapidly grown and, in a straw vote taken during the last election, ninety-five percent of those who voted believed that Mount Olomana should be preserved.

Your Committees strongly believe in the preservation of the beauty of Hawaii. To that end, your Committees have amended the bill to provide \$500,000 for the creation of Mount Olomana State Park.

Your Committees have also amended this bill by authorizing return of state lands, held by other state agencies, to the Department of Land and Natural Resources pursuant to a memorandum of agreement, for inclusion within the Park. Other changes have been made to conform with this intent.

Your Committees on Tourism and Recreation and Culture, Arts, and Historic Preservation are in accord with the intent and purpose of S.B. No. 1131, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1131, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees.

SCRep. 417 Agriculture and Environmental Protection on S.B. No. 9

The purpose of this bill is to establish a Department of Environmental Protection (DEP). The functions and authority of the Office of Environmental Quality Control will be transferred to the new Department as well as the pesticides areas of the Department of Agriculture and areas of environmental protection from the Department of Health including:

- (a) Air quality;
- (b) Water quality;
- (c) Groundwater protection;
- (d) Underground injection control;
- (e) Underground storage tanks;
- (f) Solid waste;
- (g) Hazardous and radioactive waste;
- (h) Wastewater treatment facilities construction grants;
- (i) Individual wastewater systems;
- (j) Drinking water;
- (k) Environmental risk assessment;
- (l) Environmental response;
- (m) Ozone layer protection; and
- (n) The laboratory analysis functions associated with the environmental protection programs listed above.

This bill also creates a new part entitled "Asbestos and the regulation of asbestos-related occupations" and a new chapter entitled "Environmentally-related illness and injury" both within the jurisdiction of the DEP.

Your Committee received testimony in support of this measure from the University of Hawaii Environmental Center and the Hawaii Medical Association.

Your Committee has amended this bill by:

- (1) Deleting SECTION 2 which would create a new chapter on environmentally-related illness and injury. It appears that these conditions are diagnosed by persons practicing clinical ecology which is not an accepted medical practice;
- (2) Retaining the pesticide provisions in the Department of Agriculture;
- (3) Deleting the provisions transferring the Office of Environmental Quality Control to the Department of Environmental Protection; and
- (4) Deleting SECTION 5 which applies to the directors of various departments. Your Committee finds no justification at this time for these changes.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 9, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 9, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 418 Agriculture and Environmental Protection on S.B. No. 730

The purpose of this bill is to appropriate funds to the University of Hawaii to study the technical and economic feasibility of cultivating Anguilla eels.

Your Committee received testimony in support of this measure from Mamoru Yamasaki and the Chancellor of the University of Hawaii at Hilo.

The commercial cultivation of Anguilla eels is a recurrent issue in the Hawaii state legislature. Fears that the eels might escape and cause environment damage to native freshwater fish populations abound.

This study may resolve the issue by finding that there is no market for such eels, that risk-free cultivation is not commercially feasible, or that there are methods to overcome any potential environmental hazards.

Your Committee has amended the bill by deleting the specification of a study location, thereby permitting the University of Hawaii to select the most appropriate research site.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 730, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 419 Agriculture and Environmental Protection on S.B. No. 1171

The purpose of this bill is to exempt guide dogs, service dogs, and signal dogs from the State quarantine requirements under specific conditions.

While your Committee understands the need for the owners of such dogs to be free to travel, it also realizes the seriousness of a rabies outbreak to Hawaii. Our State is one of the few places in the world where rabies does not exist and we must continue to ensure that it remains so.

Your Committee finds that the resident guide dog population is the significant group and presents much less risk of rabies introduction to the State than do signal or service dogs. It would also appear that limiting the allowable absence of a guide dog from the State to thirty days rather than one hundred twenty days will minimize the risk of exposure to rabies while still permitting a reasonable period of free and independent movement for handicapped individuals. Finally, there is grave risk to public health from irresponsible behavior of dog owners, and therefore a severe penalty is warranted.

Your Committee has therefore amended this bill by limiting the exemption to resident guide dogs only; limiting the period of allowable absence to thirty days; and providing for a fine of \$10,000 and the denial of subsequent exemptions for 10 years for any violation of quarantine rules.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1171, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 420 Agriculture and Environmental Protection on S.B. No. 1962

The purpose of this bill is to amend certain provisions of Chapter 342J, Hawaii Revised Statutes, which deal with hazardous waste requirements to make the State's hazardous waste regulatory program substantially equivalent to the federal Resource and Recovery Act (RCRA) program administered by the United States Environmental Protection Act (EPA) as part of a plan to obtain authorization from the EPA for the State to administer its hazardous waste program in lieu of the federal RCRA program.

Your Committee received testimony in support of this measure from the Department of Health and the EPA.

Your Committee has amended this bill by clarifying public record disclosure requirements and providing a section to require the Department to release hazardous waste records to the public to the degree that they would be released by the federal government, as required for authorization by RCRA section 3006(f).

Your Committee has also amended this bill by making nonsubstantive changes to reflect language used in the federal regulations and for clarity and style.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1962, S.D. 1, as amended herein, and recommends that it be referred to the Judiciary Committee, in the form attached hereto as S.B. No. 1962, S.D. 2.

Signed by all members of the Committee.

SCRep. 421 Transportation and Intergovernmental Relations on S.B. No. 592

The purpose of this bill is to set aside fuel revenues collected under Chapters 243 and 248, Hawaii Revised Statutes, for deposit into a newly created Hawaii Driver's Insurance Fund through which state required minimum no-fault motor vehicle insurance benefits are to be paid.

Your Committee held a hearing on this measure and received a wide range of testimony from State agencies, insurance groups and individuals.

Your Committee believes that the financial integrity of the State highway fund remains a vital concern to State transportation and commerce interests. Already, the Department of Transportation has warned that fiscal year 1990-1991 expenditures will exceed revenues and place Hawaii in a deficit situation that will prevent further maintenance and development of our land transportation system.

Your Committee notes that the last time the Legislature made a comprehensive change to the methods of raising revenue for our land transportation system was in 1985. At that time, the Legislature reviewed and adopted a variety of registration fees and vehicle weight and fuel taxes to maintain a level of funding necessary for our road and highway needs.

In the intervening years, however, your Committee notes that the public is being asked to assume a greater burden for our highways and transit system. In addition to various county taxation measures, the federal government has also assessed a federal fuel tax. Additionally, in 1990, the Legislature passed a funding scheme which could result in an increase in the sales tax to help pay for mass transit.

At this point in time, your Committee concludes that it would be intolerable to ask the citizenry to accept fee and tax increases without providing a concurrent, direct benefit to the consumer.

Your Committee is cognizant of a number of related legislative measures currently being discussed and reviewed in the Legislature. These measures attempt to devise a scheme for lowering the cost of motor vehicle no-fault insurance, which has increased despite legislative and administrative measures to control and reduce the cost over the years.

Your Committee finds that the no-fault automobile insurance industry is in need of reform, as evidenced by the number of bills that have been introduced during the 1991 session of the Legislature to amend and to enact new laws for the industry. These new laws, however, do not correct the inherent inequity and unfairness of the current situation, and law-abiding drivers will continue to subsidize illegal, uninsured motorists.

The Insurance Commission of the State of Hawaii has estimated that about twenty percent of all cars in Hawaii are uninsured. In 1988, there were 670,000 automobiles in Hawaii, of which 134,000 were without insurance.

Your Committee believes that the public would be more accepting of increases in registration fees and fuel taxes if these increases result in a reduction in their subsidizing of the uninsured motorists.

Lower No-Fault Costs. Your Committee notes that levying a tax or a charge on a gallon of gas for no-fault insurance may not be desirable if the charge is financially prohibitive.

The Office of the Insurance Commissioner informs your Committee that the current average cost for basic no-fault coverage is \$721.00. The State of Hawaii Data Book 1990 lists the average yearly gasoline consumption at 463 gallons, which would mean that even under the Cooper & Lybrands recommendation of \$.82 per gallon, no-fault coverage could be obtained for \$400.20 or a forty-five percent reduction in premiums.

Your Committee believes, however, that premiums can be even lower if additional fees are increased. For example, under a scheme in which the current registration fee is raised from \$10 to \$120, the general excise tax transfer of four-and-a-half cents per gallon is diverted to this insurance fund and the state licensing is raised by \$10.00 annually, the cost per gallon would be reduced to 55.8. This would mean that the cost of such insurance coverage would be \$259, a sixty-five percent reduction.

Under this analysis, your Committee believes that a "Pay at the Pump" No-fault Insurance would benefit the consumer tremendously and has amended the bill to create such a fund.

Highway Fund. With the added benefit of a "Pay at the Pump" No-fault proposal, your Committee believes that a gasoline increase would be more palatable to the public. The Administration is proposing a variety of increases which they believe would protect the integrity of the Fund. Your Committee has reviewed their proposal and is recommending its consideration. However it urges the Committee on Ways and Means to again review the Administration's recommendations and make any adjustments necessary to continue to maintain the financial solvency of the fund.

Your Committee is cognizant of the efforts of the State House to enact a \$2 a day charge on rental cars. While your Committee is not opposed to such a proposal, we are mindful that such a charge is subject to the success of our visitor industry and may not be useful in periods of recession or national emergency which usually result in a sluggish visitor economy.

Your Committee has further amended the bill by:

- (1) Substituting the provisions establishing the Hawaii no-fault insurance fund with provisions establishing a Hawaii Driver's Insurance Fund into which shall be deposited moneys collected through fuel taxes, vehicle weight taxes, and state driver's license fees;
- (2) Adding a provision to extend the time period for the transfer of liquid fuel taxes to the credit of the Hawaii Driver's Insurance Fund;
- (3) Adding a provision to change the license tax amounts to be paid by distributors of liquid fuel and diesel oil;
- (4) Adding a provision to transfer to the Hawaii Driver's Insurance Fund all state fuel taxes collected above 16 cents a gallon for liquid fuel or diesel oil and all state registration fees collected in excess of the amounts dedicated to the State Highway Fund;
- (5) Adding a provision to change the state vehicle weight tax rates; and
- (6) Adding a provision to impose a State driver's license fee.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 592, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 592, S.D. 2.

Signed by all members of the Committee except Senators Aki, Yamasaki and George.

SCRep. 422 Science, Technology and Economic Development on S.B. No. 1799

The purpose of this bill is to ensure the availability of relay services for the speech impaired.

Your Committee heard supporting testimony from the Public Utilities Commission, GTE-Hawaiian Telephone, the Commission on Persons with Disabilities, and the Hawaii State Coordinating Council on Deafness. Written testimony in support of the bill was received from a disabled citizen. Earlier legislation provided telecommunication services for the deaf and hearing impaired. However, persons who are speech impaired were not included. Speech impaired individuals should also have the opportunity to communicate with the special telecommunication devices and services that are available to the deaf and hearing impaired. With the inclusion of the speech impaired, GTE-Hawaiian Telephone will be in full compliance with the telecommunications regulations developed under the Americans with Disabilities Act of 1990, significantly before the Federal effective date of 1993. There was no testimony in opposition to the bill.

Your Committee adopted the recommendations of the Public Utilities Commission by amending SECTION 2 of the bill to clarify that the program for the speech impaired should be implemented not later than July 1, 1992. Inasmuch as relay services have been implemented for the deaf and hearing impaired since July 1, 1989, the bill intends to specify a date for implementation of relay services for the speech impaired. In addition, the amendment to Subsection (e) is not required as the Public Utilities Commission has the authority to allow GTE-Hawaiian Telephone to continue services beyond the ending date until the commission would be able to determine the terms and conditions under which the best qualified provider or providers can provide relay services.

Your Committee has also made a few non-substantive technical amendments for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1799, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 423 Ways and Means on S.B. No. 1240

The purpose of this bill is to require holders of unclaimed property to report the taxpayer identification number of each owner entitled to unclaimed property.

Under present law holders of unclaimed property are required to report only the name and last known address of each owner entitled to \$50 or more.

Your Committee heard favorable testimony from the director of finance and is in agreement that the taxpayer identification number will provide an additional as well as a more accurate and more complete means of verifying a claimant's entitlement to unclaimed property in the custody of the State by matching the claimant's name and social security number to those reported by the holder of unclaimed property.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1240 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 424 Ways and Means on S.B. No. 1228

The purpose of this bill is to require that if an overpayment results from a net operating loss carryback, the general statute of limitations under section 235-111(a), Hawaii Revised Statutes, will not apply. Instead the overpayment is required to be credited by the later of (1) three years from the due date prescribed for filing the return for the taxable year of the loss, or (2) the period as extended by agreement under section 235-111(c), Hawaii Revised Statutes.

Your Committee finds that currently, Hawaii's income tax law has no provisions comparable to federal income tax provisions regarding the statute of limitations with respect to net operating loss carrybacks. This bill will strengthen the efforts of the State to conform the state income tax law to the federal law by adopting the federal administrative treatment with respect to the statute of limitations and how net operating losses are to be applied.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1228 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 425 (Majority) Ways and Means on S.B. No. 1225

The purpose of this bill is to require persons electing to appeal the assessment of any tax to make full payment of the contested amounts prior to any adjudicative hearing. It will ensure uniformity and consistency in the state tax appeals process. Presently, Hawaii's tax laws are not consistent with respect to requiring that the disputed taxes be paid before an appeal may be taken to any adjudicative hearing. The income, public service company, and taxation of banks and other financial corporations tax laws do not require that taxes be paid before an appeal may be taken. The general excise, use, transient accommodations, liquor, and tobacco tax laws, however, require that the disputed taxes be paid in full before an appeal may be registered with the board of review or tax appeal court. Further, the estate and transfer, fuel, and conveyance tax laws do not provide taxpayers the right to appeal. Taxpayers instead, must pay the taxes and sue for a refund in tax appeal court. Correcting these inconsistencies will result in equal and fair application of state tax laws, and also guarantee that all contested taxes will be placed in an escrow fund during the pendency of a case, and, if appropriate, be available to the prevailing party.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1225 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senator George did not concur.

SCRep. 426 Ways and Means on S.B. No. 1220

The purpose of this bill is to require that estates and trusts file declarations of and pay estimated tax, clarify that S corporations are required to file estimated returns, substitute a reference to sections 235-21 and 235-39, Hawaii Revised Statutes, for an obsolete reference, and increase the floor for the filing of estimated taxes from \$40 to \$100.

Your Committee finds that this bill will result in an increased conformity to the federal income tax law, simplify taxpayer compliance, and reduce the number of documents processed by the department of taxation involving small filings.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1220 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 427 Ways and Means on S.B. No. 1215

The purpose of this bill is to amend Hawaii's income tax law to ensure conformity with amendments to the federal Internal Revenue Code made during 1990 and to correct what appears to be an incorrect adoption of federal law as it relates to a parent's election to include certain income of a child under the age of 14 years on the parent's income tax return.

Your Committee finds that in adopting the Omnibus Budget Reconciliation Act of 1990, Congress intended to help reduce future federal budget deficits. Although many of the changes that were made to the federal Internal Revenue Code have little or no impact on Hawaii law, adopting the amendments of those sections affecting state income tax purposes will ensure continued conformity with the federal income tax law and will minimize the taxpayer's burden in complying with Hawaii's income tax law.

In general, the amendments proposed in this bill can be divided into individual income tax provisions and business income tax provisions. The major amendments incorporated by this bill into Hawaii's income tax law with respect to individual income taxes include adjustments to the overall limitation on itemized deductions allowable; changes to the types of cosmetic surgery allowable as a medical expense deduction; the extension of the exclusion allowable for employers for educational benefits paid to employees under the employer's qualified plan; and the extension of the twenty-five per cent deduction for health insurance costs of self-employed individuals.

The major amendments incorporated by this bill into Hawaii's income tax law with respect to business income taxes include the extension of the low-income housing credit allowable for an owner of a unit in a low-income housing project; changes to the percentage depletion provision on transferred proven oil and gas properties; changes to the asset acquisition requirements applicable to transferors and transferees; and changes to the requirements required of corporations with respect to recognizing gain when it distributes appreciated property, or stock securities in a subsidiary.

Your Committee has amended this bill by making several technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1215, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 428 Ways and Means on S.B. No. 1146

The purpose of this bill is to amend section 237-13, Hawaii Revised Statutes, to reduce the general excise tax rate on gross commission income received by sales representatives from four per cent to one-half of one per cent.

Your Committee agrees with testimony submitted by the Hawaii Business League and the National Federation of Independent Businesses-Hawaii in support of this bill. It appears inequitable for a sales representative to be taxed at the four per cent rate because the sale occurs at the wholesale level which is taxed at one-half of one per cent. Additionally, the sales representative usually has no opportunity to pass along the tax because the sales representative is paid on commission.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1146 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 429 Agriculture and Environmental Protection on S.B. No. 215

The purpose of this bill is to mandate the Department of Land and Natural Resources to identify ecosystems of endangered species that may require special management and to adopt guidelines for their protection.

Your Committee has amended this bill by retaining the basic intent and adding a more specific mechanism to implement the policy. Specifically the bill requires a mitigation plan and mitigation agreement to be approved by the Board of Land and Natural Resources before the Board grants permission to implement any development project which may have adverse impacts upon threatened and endangered species, or upon habitat essential to the continued existence of these species. The mitigation plan must be developed from an environmental review process conducted for the project.

The bill also requires the development project proponent to establish an operating endowment fund to be used after the term of the mitigation agreement for the long-term maintenance and protection obligations described in the mitigation plan.

Finally, the bill provides the right to sue alleging that the department or board does not meet its mandates to protect threatened or endangered species or that a permit holder has violated any provision of the permit.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 215, S.D. 1, and be recommitted to the Committee on Agriculture and Environmental Protection for further consideration.

Signed by all members of the Committee except Senators Ikeda and Solomon.

SCRep. 430 Agriculture and Environmental Protection on S.B. No. 1756

The purpose of this bill is to exempt from superfund liability any Hawaiian bank or trust company which holds title to property as trustee or fiduciary.

Your Committee has amended this bill by deleting its substance and inserting provisions requiring the Director of Health to establish rules specifying the period of time within which the release of designated quantities of hazardous substances must be reported to the department.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1756, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Ikeda and Solomon.

SCRep. 431 Consumer Protection and Business Regulation on S.B. No. 2008

The purpose of this bill is to amend the laws of the State relating to trust company powers.

Your Committee has amended this short form bill by inserting substantive material which will allow trust companies that are not subsidiaries or affiliates of a bank or bank holding company to establish or acquire a subsidiary or affiliate that is a licensed insurance company, or a licensed security broker or dealer.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 2008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2008, S.D. 1, and be recommitted to the Committee on Consumer Protection and Business Regulation for further consideration.

Signed by all members of the Committee except Senators Matsuura, McCartney and Koki.

SCRep. 432 Ways and Means on S.B. No. 1702

The purpose of this short form bill is to amend the laws relating to taxation.

Your Committee has amended this short form bill by inserting substantive material which will allow S corporations to make an election concerning the treatment of carryforwards during transition years.

Your Committee has amended the bill by adding a new section to chapter 235, Hawaii Revised Statutes. The income tax law has been amended to provide an opportunity for S corporations to elect not to have section 235-125(a), Hawaii Revised Statutes, apply to carryforwards from taxable periods preceding the taxable period beginning after December 31, 1989, for which an S election was not in effect for Hawaii purposes. The bill allows an election to be made on timely filed returns or amended returns until December 31, 1992.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1702, S.D. 1, and be recommitted to the Committee on Ways and Means for further consideration.

Signed by all members of the Committee except Senators Aki and George.

LCRep. 433 Executive Appointments on Gov. Msg. No. 58

Recommending that the Senate advise and consent to the nomination of WARREN PRICE III for Attorney General, term to expire December 5, 1994.

Signed by all members of the Committee except Senator Aki.

SCRep. 434 Ways and Means on S.B. No. 1221

The purpose of this bill is to allow taxpayers who did not designate \$2 to the Hawaii election campaign fund, to make a designation by filing an amended return within twenty months and ten days after the due date for filing the original return. A designation once made whether by original or amended return may not be revoked.

Your Committee heard favorable testimony from the director of taxation and finds that these provisions parallel federal tax regulations and will bring Hawaii's income tax laws in closer conformity with the federal law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1221 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 435 Ways and Means on S.B. No. 1230

The purpose of this bill is to decrease the amount of tax required to be withheld on the disposition of real property by a nonresident person from 9 per cent to 7.25 per cent of the amount realized on the sale. This bill also provides that the withholding of tax may not be required if:

- (1) The transferor applies for a withholding certificate and:
 - (i) The transferor will not realize any gain with respect to the transfer; or
 - (ii) There are insufficient proceeds to pay the withholding after payment of all costs;
- (2) The transferor furnishes to the transferee an affidavit stating that:
 - (i) For the year preceding the date of the transfer the property has been used as a principal residence; and
 - (ii) The amount realized for the property does not exceed \$300,000; or
- (3) The department of taxation has entered into a written agreement with the transferor or transferee that alters or waives the withholding requirement.

Additionally, this bill broadens the definition of "transferee" to include the State and counties and their respective subdivisions, agencies, and boards.

Your Committee finds that this bill will mitigate some of the harsher effects of section 235-68, Hawaii Revised Statutes, as it exists in its present form while continuing to implement the heart of the recommendation of the Tax Review Commission to provide for the withholding of taxes on sales of real property.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1230 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 436 Ways and Means on S.B. No. 1253

The purpose of this bill is to authorize the extension of existing grant, subsidy, and purchase of service contracts for up to three months, subject to specific conditions.

Your Committee finds that this bill will allow contracts currently in effect to be extended into the first three months of the subsequent fiscal year, provided that funds have been appropriated for the particular service and the same provider or recipient. In this manner, services being provided by existing contracts that are substantially the same as indicated by the appropriation for the subsequent fiscal year or biennium can continue to be provided without the interruption caused by having to execute an entirely new contract.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1253 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 437 Employment and Public Institutions on S.B. No. 669

The purpose of this bill is to technically improve the section in the Hawaii Revised Statutes relating to liability of third persons under the Workers' Compensation Law.

Section 386-8, which has not been amended since 1973, is a complicated and often-cited section of law which structurally consists of twelve informal paragraphs, rendering it impossible to refer to specific material therein. This bill breaks the twelve undesignated paragraphs into twelve subsections, a technical change which your Committee finds will make the law relating to third party liability more accessible to the general public and facilitate the handling and settlement of Workers' Compensation claims. Your Committee notes that this bill makes no substantive changes to Section 386-8.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 669 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 438 Employment and Public Institutions on S.B. No. 1535

The purpose of this bill is to raise the minimum wage in the State of Hawaii.

The current minimum wage of \$3.85 per hour has been in effect since January 1, 1988, and in the interim the cost of living in this State has greatly increased, placing wage earners at the bottom of the wage spectrum at an ever-increasing economic disadvantage. This bill will impact significantly on the standard of living and well-being of those individuals and families who need the most help, a fact which, in the opinion of your Committee, clearly establishes this bill to be in the public interest.

Your Committee has amended this bill by specifying that the minimum wage shall be \$4.75 per hour effective January 1, 1992, \$5.00 per hour effective January 1, 1993, and \$5.25 per hour effective January 1, 1994.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1535, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 439 Housing and Hawaiian Programs on S.B. No. 569

The purpose of this bill is to exempt projects owned by a county from the provisions of law allowing the Housing, Finance and Development Corporation to share in the appreciation in value of units benefitting from rental assistance payments at the time of refinancing or prepayment of the eligible project loans.

Your Committee finds that without the exemption provided for in the bill, counties have difficulty in maintaining a high rating on bonds issued for housing development. Where the value of the county's equity in a project given to secure the bonds is lessened, the county's bonds are jeopardized.

Your Committee has amended the bill by providing that the exemption will apply only if any monetary gain realized by a county through appreciation in value is used for affordable housing.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 569, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 440 Science, Technology and Economic Development on S.B. No. 330

The purpose of this bill is to authorize Hawaii to participate in the joint State/Federal liaison program implemented by the Center for Ocean Analysis and Prediction of the National Oceanic and Atmospheric Administration.

Your Committee received supporting testimony from the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committee finds that it is in the best interest of the State for it to participate in the joint State/Federal liaison program.

Your Committee adopted a recommendation by DBEDT that State participation should be effected through the Office of State Planning instead of the Hawaii Ocean and Marine Resources Council. Your Committee also clarified the language in subsection (d) on page 2 of this bill by inserting the words "at least" in line 18. Your Committee made several nonsubstantive amendments for clarity and style.

Your Committee on Science, Technology and Economic Development, is in accord with the intent and purpose of S.B. No. 330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 330, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 441 Science, Technology and Economic Development on S.B. No. 1394

The purpose of this bill is to update the statutory designation of the energy resources coordinator by correcting Section 196-3, Hawaii Revised Statutes, for the change in name of the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of the bill from the Department of Business, Economic Development, and Tourism. The bill is a house-keeping measure to bring the Hawaii Revised Statutes current with the new name of the Department of Business, Economic Development, and Tourism. No other revisions are proposed by the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1394 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 442 Science, Technology and Economic Development on S.B. No. 1401

The purpose of this bill is to amend section 206M-2, Hawaii Revised Statutes, which sets forth the qualifications for appointment to the board of directors of the High Technology Development Corporation (HTDC). This bill expands the pool of potential appointees by eliminating the present requirements that the public members of the board not be an officer or employee of the State or the counties. It also deletes the existing requirements that the board member from the University of Hawaii be from the faculty of the College of Engineering.

The HTDC is a state agency whose purpose is to facilitate the growth and development of the commercial high technology industry in Hawaii.

Your Committee heard testimony in support of this administration measure from the HTDC. It is the desire of the High Technology Development Corporation to allow greater University of Hawaii faculty participation on the board.

Your Committee finds that membership on the HTDC board of directors should be based upon the knowledge and expertise of appointees and should not exclude State employees who may have unique capabilities that would broaden the board's effectiveness. Similarly, limiting the University of Hawaii member to the College of Engineering overlooks the fact that high technology also includes ocean and earth science, biotechnology, and software development, which are not represented in the College of Engineering.

Your Committee finds that the Governor and the President of the University should have the ability to select faculty members who can contribute in areas of high priority from any college.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 1401 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 443 Tourism and Recreation on S.B. No. 18

The purpose of this bill is to clarify that the right of transit to Hawaii's shorelines is unconditional. Specifically, the bill deletes the requirement of safety conditions for public access paths to the shorelines.

Your Committee heard supporting testimony from the Department of Transportation and the Board of Land and Natural Resources.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. No. 18 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 444 Tourism and Recreation on S.B. No. 1850

The purpose of this bill is to exempt the Hawaii beachboy service association from the public concession bidding requirement.

Your Committee has amended the bill by adding language that allows non-profit corporations operating concessions at county zoos and botanic parks to be exempted from bidding requirements.

Your Committee made several nonsubstantive amendments for clarity and style.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of S.B. NO. 1850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1850, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 445 Health and Human Services on S.B. No. 399

The purpose of this bill is to control the distribution of smokeless products to minors and discourage illegal activity by prohibiting all promotional distribution.

Your Committee received testimony in favor of this measure from the Hawaii affiliates to the American Lung Association, the American Heart Association, and the American Cancer Society, and the Hawaii Thoracic Society.

Your Committee finds that, while distribution of smokeless tobacco products to minors is illegal, enforcement of an age-related restriction on promotional distribution of these products is impractical and ineffective.

Your Committee has made a nonsubstantive amendment to this bill for purposes of style and clarity.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 399, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 446 Health and Human Services on S.B. No. 602

The purpose of this bill is to make the medical history of natural parents of an adopted child part of the permanent record of the Health Department instead of the Family Court.

Your Committee received testimony in support of this measure from the Department of Health and the Judiciary.

Your Committee has amended this bill by providing that the original form, not a copy, be forwarded to the Department of Health, and by providing that a guardian or custodian may apply on behalf of the minor adopted child for access to information described under the section.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 602, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 447 Health and Human Services on S.B. No. 767

The purpose of this bill is to mandate expungement of child abuse or neglect cases within four years if a determination is made that no maltreatment occurred and there is no need for child protective services and within seven years if there has been maltreatment or need for child protective services. The measure also permits an alleged abuser to request that the records be destroyed and upon such request the records must be destroyed within thirty days.

Your Committee received testimony in support of this measure from the Department of Human Services which recommended changes to the bill.

Your Committee has amended this bill by deleting the provision for expungement of records when a determination of maltreatment or need for child protective services has been made and by changing the time for destruction upon request to sixty days.

Your Committee has further amended the bill to add clarifying language for purposes of understanding, which does not affect the substance or meaning.

Child abuse is one of the most serious crimes against society but the false charge of committing child abuse can destroy the lives of those accused. Your Committee feels that this measure addresses both of these concerns and reaches a fair compromise for all.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 767, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 448 Health and Human Services on S.B. No. 1121

The purpose of this bill is to expand the scope of the law prohibiting smoking in the workplace by including all private corporations, firms, and associations that employ more than 10 people.

Your Committee finds that second-hand smoke is a serious health hazard blamed for an estimated 53,000 deaths annually in the United States.

Testimony in support of this measure was received from the Hawaii affiliates of the American Lung Association, the American Heart Association, and the American Cancer Society and the Hawaii Thoracic Society.

Your Committee has made nonsubstantive amendments to correct technical drafting errors.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1121, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 449 Health and Human Services on S.B. No. 1368

The purpose of this bill is to repeal the powers and duties of the Department of Health in relation to radiologic technology; provide that the Director of Health or the Director's designated representative be an ex officio voting member of the board; provide for consistent use of the terms "radiation therapy technology" and "radiologic technology"; and specifically allow the use of the abbreviation C.R.T. for "certified radiation therapy technologist".

Your Committee received testimony in support of this measure from the Department of Health and the Chairperson of the Radiologic Technology Board.

Your Committee has made nonsubstantive amendments to correct technical drafting errors.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1368, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 450 Employment and Public Institutions on S.B. No. 24

The purpose of this bill is to repeal two redundant sections of Chapter 103, Hawaii Revised Statutes, "Public Money and Public Contracts."

The first section requires weekly payment of laborers who earn \$5 or less per week, and the second establishes paydays on the fifteenth and last days of the month for all other employees.

Your Committee finds that the above provisions are appropriately covered under Chapter 104, "Wages and Hours of Employees on Public Works."

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 24 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 451 Employment and Public Institutions on S.B. No. 564

The purpose of this bill is to provide public contracting officers flexibility in deciding the bonding requirements for construction contracts.

Current law requires a bond equaling 100 percent of the contract price, including any amounts for extra work. This bill allows for smaller bonds if the interests of the government or persons furnishing labor or materials will be adequately protected, or smaller or greater amounts if the 100 percent requirement will disqualify the contracting agency from receiving federal funds or aid.

Your Committee finds that in some circumstances, such as where lump sum payments are made upon delivery of goods or services, or for extremely large projects where the total cost exceeds the capacity of the bonding market, the 100 percent requirement may not be appropriate. This bill satisfactorily addresses such situations.

Your Committee has amended this bill by clarifying that the discretion granted to contracting officers by this measure must be exercised before any bids have been opened.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 564, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 564, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 452 Employment and Public Institutions on S.B. No. 1084

The purpose of this bill is to allow the Board of Trustees of the Public Employees Health Fund to appoint its own legal counsel.

Currently, the Attorney General or his representative represents the Board; however, the Attorney General, a state employee and Health Fund beneficiary, works for the Governor, the chief employer in the State. This bill presents an alternative to resolve any real or apparent conflict of interest arising from the Attorney General's representation of the Board.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1084 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 453 Employment and Public Institutions on S.B. No. 1086

The purpose of this bill is to provide exemptions from Workers' Compensation coverage based on a person's owner/employee status with one or more corporations.

Specifically, the bill amends the definition of "employment" by excluding service performed by a person who (1) owns at least fifty-one percent of the corporation he works for and elects to waive coverage, or (2) owns at least fifty-one percent of two corporations, each of which employs him.

Your Committee finds that one of the obstacles and disincentives facing the small business owner in Hawaii is the obligation to pay for Worker's Compensation coverage for himself as an employee, even when he is in a position to satisfy the intent of the law without formal coverage. The exemptions provided in this bill are not new; they are in place in a majority of the states, American Samoa, and all of Canada's Provinces. This bill will allow Hawaii's employee/owners, who don't need Workers' Compensation coverage for themselves, to devote more of their income to other expenses such as health care, taxes, or employee raises.

Your Committee has amended this bill by making a technical change which has no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1086, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 454 Employment and Public Institutions on S.B. No. 1088

The purpose of this bill is to authorize blue lights on Department of Public Safety vehicles.

Current law allows blue lights only on law enforcement vehicles authorized by the Chief of Police of the county in which the vehicle is operated.

This bill will allow for uniform equipment and practice throughout the State's law enforcement community, where it is imperative that vehicles on duty be immediately recognized when in use to meet an emergency situation.

Your Committee has amended this bill to clarify that blue lights on Department of Public Safety vehicles will be authorized and approved by the Director of Public Safety.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1088, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 455 Employment and Public Institutions on S.B. No. 1151

The purpose of this bill is to delete extraneous verbiage describing the concept of transfer as it appears in the statute on intragovernmental transfers in the public service.

Your Committee finds, as does the Conference of Personnel Directors, that collective bargaining has rendered the definition of intragovernmental transfer unworkable. Your Committee agrees.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1151 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 456 Employment and Public Institutions on S.B. No. 1290

The purpose of this bill is improve the ability of the State to retain workers by allowing appointing authorities to credit temporary service towards the probationary period.

Current law requires all employees to serve a probationary period of at least six months before becoming members of the Civil Service. Temporary employment may only be credited towards probation if the employee was initially hired from an eligible list, the service immediately preceded the change to probationary status, and the movement was to the same or a related position in the department.

This bill will allow appointing authorities to credit all types of temporary service towards the probationary period, whether or not the person was on an eligible list, etc. The appointing authority will also have the latitude to require a full probationary period to more fully assess a temporary employee's ability, or to credit temporary service towards probation in a similar position in a different class within the department.

Your Committee finds that the above changes in the law will allow the State to retain and make better use of the qualified workers it initially employs on a temporary basis.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 457 Employment and Public Institutions on S.B. No. 1451

The purpose of this bill is to grant flexibility in disposition of prisoners.

Conditional release centers provide housing, meals, supervision, guidance, furloughs, and other correctional programs for persons committed to the Department of Public Safety in order to give them a chance to begin adjustment to life in a free society and measure their fitness for parole. However, the law now requires notification of county prosecutors and police chiefs, as well of victims, whenever any prisoner is admitted to the program.

This bill requires such notification only when a felon is admitted, thus allowing the Department of Corrections more latitude in making referrals to the program and freeing up valuable bedspace to house more serious offenders; and according to testimony by the Director of Public Safety, this will allow the Department needed time to complete construction, phase by phase, of additional units required to effect compliance with the Federal Court Order.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1451 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 458 Employment and Public Institutions on S.B. No. 1704

The purpose of this bill is to provide that Workers' Compensation death benefits shall be paid to the parents if the deceased had no dependents.

Currently, if the deceased had no dependents, the employer pays \$8,775 into the Special Compensation Fund. Your Committee finds that this bill provides a better use for this money.

Your Committee also finds that the amount of \$8,775, set by the 1973 Legislature, was based on the prevailing maximum weekly benefit rate of \$112.50, multiplied by 312 and divided by four. Since the amount payable by the employer on account of death of an employee is intended to reflect a percentage of current earning ability and prevailing wages paid in the State, your Committee has amended this bill by deleting the monetary amount and inserting language describing the above formula (.25% X 312 X the effective maximum weekly benefit rate provided in Section 386-31) as the basis of the employer's contribution. This formula will also be used to calculate the amount the employer must pay to the Fund if the weekly benefits to which dependents are entitled terminate without totalling the maximum.

In addition, your Committee has deleted the word "lump", which does not appear in the statute, from line six.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1704, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 459 Culture, Arts and Historic Preservation on S.B. No. 765

The purpose of this bill is to establish and designate the humuhumu-nukunuku-a-pua'a as the official fish of Hawaii.

Your Committee received testimony from the Department of Land and Natural Resources and the University of Hawaii concerning the various polls and surveys which have been conducted throughout the State. Tabulation of these ballots indicates that the people of Hawaii favor the humuhumu-nukunuku-a-pua'a by at least a two to one margin over each of the other native species of fish suggested.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of S.B. No. 765 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 460 Education on S.B. No. 941

The purpose of this bill is to amend the laws of the State relating to the University of Hawaii.

Your Committee has amended this short form bill by inserting substantive material which allows the Board of Regents to develop real property and construct university projects along or in partnership with qualified developers and contractors. The bill further allows the Board to contract, without reference to competitive bidding laws, with any developer, contractor, engineer, architect or any other person or firm whose services would aid in the development and construction.

This bill would give the University more flexibility to utilize the private sector in the development of projects (buildings and facilities).

Your Committee on Education is in accord with the intent and purpose of S.B. No. 941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 941, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 461 Transportation and Intergovernmental Relations on S.B. No. 771

The purpose of this bill is to establish a minimum fine of \$25 for litter violations and a penalty of 4 hours of litter pick up for the first offense and 8 hours for any subsequent offense.

Your Committee heard supporting testimony from the Department of Transportation and the Department of Health.

Your Committee has made several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 771, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 462 Transportation and Intergovernmental Relations on S.B. No. 1303

The purpose of this bill is to lower the current vehicle bumper height to Motor Vehicle Manufacturers Association (MVMA) standards. The bill also clarifies the procedure on measuring modified bumper height, vehicle frame height, and provides definitions for several terms used in the provisions.

Your Committee heard supporting testimony from the State Department of Transportation.

Your Committee finds that the MVMA's raised vehicle guidelines are based on engineering and field tests conducted by General Motors engineers and provide a sound basis for determining safe and appropriate height restrictions.

Your Committee has amended the bill by making it effective ninety days after approval to allow vehicle owners to conform to the new specifications.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1303, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 463 Transportation and Intergovernmental Relations on S.B. No. 1307

The purpose of this bill is to reestablish drivers' license category 3 which includes trucks and buses.

Your Committee heard supporting testimony from the Department of Transportation and the Hawaii Transportation Association.

Your Committee finds this measure will provide the appropriate drivers' license category for all non-passenger vehicles having a gross vehicle weight rating of 10,000 pounds or less. This category was inadvertently left out of the classified driver licensing system when Section 286-102, Hawaii Revised Statutes, was amended in 1989.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1307 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 464 Transportation and Intergovernmental Relations on S.B. No. 1308

The purpose of this bill is for housekeeping to amend the powers of the Department of Transportation to clarify jurisdiction over ocean waters and navigable streams of the state.

Your Committee finds that this bill will make consistent the powers and duties of the Department of Transportation in Section 266-2, with the jurisdiction of the department over ocean waters and navigable streams as provided in Section 266-1, Hawaii Revised Statutes.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1308 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 465 Transportation and Intergovernmental Relations on S.B. No. 1309

The purpose of this bill is to delegate to the Statewide Transportation Committee the duty of making recommendations on all projects submitted to the legislature involving state highways, harbors, airports, and air transportation.

Your Committee heard supporting testimony from the Department of Transportation.

Your Committee finds that this legislation will remove any conflicts in duties between the Statewide Transportation Committee and the State Department of Transportation.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1309 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 466 Transportation and Intergovernmental Relations on S.B. No. 1310

The purpose of this bill is to authorize the Governor or Director of Transportation as his designee to dispose of easements and access rights along state highways.

Your Committee heard supporting testimony from the Department of Transportation.

Your Committee finds that by enabling the Governor to designate the Director of Transportation to assist him in processing approval for the disposal of easements and access rights within and along state highways, the process of disposal will be expedited.

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

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1310, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 467 Transportation and Intergovernmental Relations on S.B. No. 1312

The purpose of this bill is to allow the use of studded snow tires on either the Mauna Kea access road above Hale Pohaku or other roads within Mauna Kea Science Reserve.

Your Committee finds that this legislation is necessary to insure safety on the sometimes icy roads above Hale Pohaku on Mauna Kea and other roads within the Mauna Kea Science Reserve.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1312 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 468 Transportation and Intergovernmental Relations on S.B. No. 1332

The purpose of this bill is for housekeeping to correct insurance law chapter numbers cited in Section 286-108 and 286-116, Hawaii Revised Statutes. This bill also deletes a part of Section 286-108 so driver license applicants can be tested in any county regardless of where they reside in Hawaii. The title of section 286-117 is amended to delete an unnecessary term.

Your Committee heard supporting testimony from the Department of Transportation and from the City and County of Honolulu Department of Finance.

Your Committee finds that currently, Section 286-108, Hawaii Revised Statutes, requires driver's license applicants to be examined only in the county they reside. This could be inconvenient and expensive for persons working (temporarily) or going to school in a county other than the one they reside.

Your Committee has amended this bill to correct a Ramseyer format error.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1332, as amended herein, and recommends that it pass Second Reading in the form hereto as S.B. No. 1332, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 469 Transportation and Intergovernmental Relations on S.B. No. 1630

The purpose of this bill is to set minimum statutory standards for all county boards of water supply.

Your Committee received testimony from the Board of Water Supply of the City and County of Honolulu requesting that the bill be deferred from consideration until next year's legislative session to provide the Board with sufficient time to recommend appropriate amendments.

Your Committee has decided not to act on the substance of the bill, but rather only to correct an unintended authorization contained in §46-1.5(10). This obvious error apparently resulted from an inadvertent drafting omission occurring when separate chapters in the Hawaii Revised Statutes pertaining to the individual counties were recodified into chapter 46.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1630, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 470 Judiciary on S.B. No. 34

The purpose of this bill is to amend the provision for mandatory juvenile waiver by lowering the age from sixteen to fourteen and increasing the enumerated offenses which would make a juvenile eligible for mandatory waiver.

Your Committee received testimony in favor of the bill from the Honolulu Department of the Prosecuting Attorney and the Honolulu Police Department. These departments testified that the bill is necessary due to an increase in cases involving serious offenses committed by juveniles under the age of sixteen and an increase in the possession and use of dangerous weapons by young offenders.

Opponents of the waiver amendment feared that society will lose too many juveniles to the adult system who can be rehabilitated under the family court system, and that adult correctional facilities will not have adequate facilities to house and help juveniles.

Your Committee recognizes the need to find a balance between two competing, but important, state interests: society's right to be protected from violence and crime and the desire to foster rehabilitation of juveniles in difficulty. Your Committee has faith in the family court's ability to weigh these competing interests and determine which cases are better handled within the family court system and which should be waived to the adult court system. Your Committee hopes that, by giving the family court greater discretion to make such determinations based on the criteria set forth in Section 571-22(b), Hawaii Revised Statutes, both society and our children will be better served.

Therefore, your Committee amended this bill by deleting the age limitation entirely for discretionary waiver of minors under Section 571-22(a), Hawaii Revised Statutes, and by repealing the mandatory waiver provision of Section 571-22(c), Hawaii Revised Statutes. Your Committee trusts that the family court will use its discretion wisely, not systematically, and therefore not provide cause for subsequent review of this bill, if enacted.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 34, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 471 Judiciary on S.B. No. 121

The purpose of this bill is to (1) authorize the family court's use of school attendance records as prima facie evidence of a child's nonattendance at school or nonreceipt of educational services, (2) give the family court discretion to waive jurisdiction over certain serious juvenile offenders at age fifteen, and (3) grant the senior family court judge the discretion to open family court proceedings involving certain serious offenses.

Proponents of the waiver amendment testified that they favor lowering the waiver age due to an increase in cases involving serious offenses committed by juveniles under the age of sixteen and an increase in the possession and use of dangerous weapons by young offenders.

Opponents of the waiver amendment fear that the family court will waive jurisdiction inappropriately and that the adult correctional system will not have adequate facilities to house and help these juveniles.

The Office of the Public Defender also opposed the opening of courtroom proceedings because it thinks the publicity and public disgrace to the child may hinder rehabilitation.

Your Committee finds that the provisions pertaining to the use of school attendance records as prima facie evidence of truancy will make truancy proceedings less burdensome for schools and the family court. Your Committee recognizes that the child is the one most detrimentally affected by a delay in the proceedings.

Your Committee has faith in the family court's ability to determine which cases are better handled within the family court system and which should be waived to the adult court system. However, this waiver issue is being handled in S.B. No. 34, S.D. 1, and is therefore being omitted from this bill.

Your Committee recognizes that there may be good reasons to open certain juvenile proceedings to the public. For example: (1) to dispel public distrust in a closed system when the offense is very serious and the community is aroused, (2) to deter juveniles from engaging in similar conduct, (3) to instill in the offender an appreciation for the seriousness of the offense charges, and (4) to provide family court with an alternative to waiver, that is, a middle ground between waiving to adult court and protecting the minor in closed proceedings.

Your Committee believes that the senior family court judge is in the best position to uniformly determine which juvenile proceedings should be opened to the public, as well as which proceedings should be kept closed in the best interest of the child.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 121, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 472 Judiciary on S.B. No. 130

The purpose of this bill is to include within the offense of promoting prostitution in the first degree the prostitution or "pimping" of all minors, rather than just those under fourteen years of age.

Your Committee received testimony in support of this bill from the Honolulu Police Department, who favored the protection of all children, not just those under a certain age.

Your Committee finds that minors between the ages of fourteen and seventeen, inclusive, deserve the protection afforded by this bill. While some age based dichotomy may be appropriate in the context of truly voluntary sexual conduct, in this context it only benefits those who profit from sexual exploitation of minors. One who knowingly promotes the prostitution of any minor should be severely punished regardless of the age of the minor.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 130, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 473 Judiciary on S.B. No. 148

The purpose of this bill is to decriminalize a majority of traffic offenses not of a serious nature and to streamline the handling of these offenses.

Specifically, this bill proposes to eliminate most traffic arraignments, encourage disposition of traffic and parking cases through the payment of a monetary fine, provide for informal disposition of contested cases in which the rules of evidence do not apply, and dispense in most cases with witnesses and a prosecutor.

The bill places on the person cited the burden of responding to a citation within 15 days from the date of its issuance to: (1) admit to the commission of the traffic infraction and to remit payment of a fine; (2) admit to the commission of the infraction with an explanation of mitigating circumstances and to request a hearing for that purpose; or (3) deny commission of the infraction and request a hearing.

If the person fails to answer the citation or fails to appear after requesting a hearing, the court is authorized to enter a default judgment in favor of the State for the amount of the fine, at which time the person will be given thirty days from date of notice to remit payment.

The court is required to immediately suspend the driver's license of the person whose fines are not paid after warning is given. In addition, the court is authorized to deny vehicle registration to enforce its orders.

The bill also decriminalizes a number of existing traffic provisions by eliminating the possibility of a sentence of imprisonment.

Finally an appeal to the district court for a trial de novo is permitted.

Your Committee received testimony in support of this bill from the State Attorney General, the county prosecutors and police chiefs, and the Judiciary. These agencies testified that the bill's adoption will benefit the public by freeing up scarce judicial and law enforcement resources and manpower that can be diverted to more serious offenses.

There were concerns that the bill oversimplified certain procedures, such as removing certain notice precautions provided under the current laws and standardizing penalties and sanctions for all traffic infractions, thereby causing serious ramifications. For example, the bill requires that the court immediately suspend the licenses of those persons who fail to respond to notices. Concerned testifiers pointed to a number of reasons that a person may fail to respond to a notice -- the citation is blown away or pulled off by pranksters, or the notice is sent to a nonforwarding address. The bill does not require personal service or certified or registered mail. Under the bill, a person who is originally cited for a parking infraction could suddenly find himself or herself facing a misdemeanor for unknowingly driving with a suspended license.

Giving due consideration to all testimony, your Committee makes the following amendments to the bill:

1. Amends provisions on sanctions for failure to answer, failure to appear, and failure to make timely payment of fines so that licenses are not immediately suspended. Instead, in cases involving failure to answer or appear, the court will enter default judgment, issue a penal summons and provide notice to the county that the person's vehicle registration and driver's license will not be renewed until the infraction is disposed of. The same sanctions apply to cases involving failure to make timely payment of fines except for the entry of a default judgment.
2. Adds to provisions regarding imposition of penalties for traffic infractions to authorize the court to assess points against the person committing the infraction, and that if the total points exceed 12, to require the court to suspend the driver's license;
3. Regarding the form of the citation or notice of infraction: (1) adds to the statement assessing fines, the range of points which may be assessed; (2) amends statements on penalties and sanctions to distinguish between moving and non-moving infractions; and (3) amends the warning relating to the failure to timely respond to reflect the changes in sanctions.
4. Amends notice provisions pertaining to sanctions for failure to answer, failure to appear and failure to make timely payment of fines to reflect the changes in sanctions. For notice provisions in which a person is informed of an entry of default judgment, the person is also informed that judgment may be set aside in accordance with other provisions.
5. Amends the provision on additional monetary assessments made by the court by making imposition of these assessments discretionary rather than mandatory, and by including the cost of service of a penal summons as one of the assessments that may be imposed.
6. Amends the provision regarding extension of time for persons claiming inability to pay so that, if the fine is not paid on or before the specified time, the court is required to give the person thirty days to remit payment and to warn that failure to pay within that time will result in the issuance of a penal summons and nonrenewal of vehicle registration and driver's license.
7. Provides that default judgment can be set aside upon appearance of the person, a showing of good cause and excusable neglect, and posting of an appearance bond.
8. Makes nonsubstantive technical amendments for the purpose of clarity and style.

Your Committee is in accord with the intent and purpose of S.B. No. 148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 148, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 474 Judiciary on S .B. No. 193

The purpose of this bill is to make two technical changes to the law pertaining to the bill of rights for victims and witnesses by (1) deleting an inappropriate reference to the Hawaii Witness Security and Protection Act, and (2) adding a provision giving victims, or their next-of-kin, the right to be notified of a prisoner's escape, in conformance with legislation enacted last year.

Section 801D-4(3), Hawaii Revised Statutes, gives the victim the right to receive protection from threats or harm "in accordance with the Hawaii Witness and Security Protection Act program guidelines". However, the Hawaii Witness and Security Protection Act is not intended to provide direct services or funds to victims. It is primarily a funding vehicle for use by law enforcement agencies to underwrite the cost of protecting witnesses in certain types of cases. The bill, therefore, deletes the reference to the Act to avoid any confusion.

The bill also makes Section 801D-4(7), Hawaii Revised Statutes, consistent with Act 193, Session Laws of Hawaii 1990. Act 193 added Section 706-673, Hawaii Revised Statutes, which requires the Department of Public Safety to notify victims or their next-of-kin of the escape by the prisoner who committed a crime against the victim.

Your Committee received testimony in support of the bill from the Honolulu Department of the Prosecuting Attorney, the Hawaii State Commission on the Status of Women, and Child and Family Service.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 193 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 475 Judiciary on S.B. No. 595

The purpose of this bill is to streamline the jury selection process by amending provisions in Chapter 612, Hawaii Revised Statutes, to eliminate the requirement for, and all references to, jury panels.

The Judiciary testified that the present law, which requires that jurors be placed in panels of 18, creates unnecessary work for jury pool staff who must segregate jurors by panels, and wastes valuable time by requiring courts to order jurors by panels rather than by specific numbers as needed.

Your Committee finds that eliminating the requirement for jury panels will make better use of the Judiciary's resources.

Your Committee amended this bill by incorporating the substance of S.B. No. 594, which was heard on the same agenda. S.B. No. 594 revised a provision of Chapter 612 pertaining to jury exemptions. The purpose of this amendment is to eliminate jury exemptions for certain occupations, thereby encouraging broader community participation in the jury system. Exemptions from jury service were suspended from January 1, 1989, through December 31, 1991. This experiment has proven successful and, therefore, is being made permanent. The only exemption that remains is for persons who served on a jury within the preceding year.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. 595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 595, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 476 Judiciary on S.B. No. 597

The purpose of this bill is to include complaints as a means of commencing criminal prosecutions. This bill is a housekeeping measure to conform certain provisions of the Hawaii Revised Statutes to current practice under Hawaii Rules of Penal Procedure.

Your Committee received testimony in support of the bill from the Judiciary. The Honolulu Department of the Prosecuting Attorney also testified in favor of the housekeeping aspect of the bill. However, the Department requested that the word "complaint" be deleted from the provision of the bill requiring that every complaint be brought before the grand jury, because the Department presently uses complaints in misdemeanor, family court and other proceedings that are not brought before grand juries.

Your Committee amended the bill by deleting the word "complaint" on page 1, line 17, as requested by the Honolulu Department of the Prosecuting Attorney.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 597, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 477 Judiciary on S.B. No. 603

The purpose of this bill is to clarify and expand the family court's authority over adults in domestic violence cases. Specifically, the bill:

(1) Adds the offense of endangering the welfare of a minor in the first degree to those offenses over which the family court has exclusive jurisdiction. The Act which added this new offense in 1986 inadvertently failed to conform the law governing the court's jurisdiction accordingly.

(2) Also adds to the family court's original jurisdiction felony cases involving spousal abuse cases.

(3) Clarifies that the family court may hear cases involving violations of temporary restraining orders as well as protective orders in domestic violence cases under Chapter 586, Hawaii Revised Statutes.

The Judiciary submitted testimony in support of this bill. However, the Honolulu Department of the Prosecuting Attorney expressed concern that, because most of the family court judges are district court judges, not circuit court judges, and therefore do not have the authority to hear felony cases, the bill, if enacted, will create a backlog of felony spousal abuse cases, which are now being tried in the circuit courts.

Your Committee amended this bill by deleting the provision pertaining to felony spousal abuse cases.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 478 Judiciary on S.B. No. 750

The purpose of this bill is to amend the drug-free school zone law to include school vehicles and increase penalties. More specifically, the bill:

- (1) Increases the penalty from a class C to a class B felony for promoting controlled substances on, or in the vicinity of, school grounds or school vehicles;
- (2) Deletes minimum imprisonment term provisions for repeat offenders, and adds a provision mandating a minimum imprisonment term in all cases; and
- (3) Authorizes the court to impose a fine not to exceed \$100,000.

Your Committee received testimony in support of the bill from the Attorney General and the Honolulu Police Department.

Your Committee amended the bill by (1) reinstating the provisions on minimum terms for repeat offenders, (2) reverting the felony classification to a class C, and (3) deleting Section 2 relating to the imposition of a mandatory imprisonment term and a fine. These amendments are reluctantly made only because Hawaii's prisons are not able to absorb the additional inmates that would result from the increased penalties and their enactment might precipitate the release of inmates who are equally or more deserving of incarceration.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 750, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 479 Judiciary on S.B. No. 800

The purpose of this bill is to require all deputies of department heads, regardless of their titles, to file financial disclosure statements for public inspection and review, and to clarify who, within the Department of Attorney General, falls within this requirement.

Under current law, department heads and their first and second deputies are required to file financial disclosure statements. However, because some departments now have more than two deputy department heads, the terms "first" and "second" are outdated. The purpose of this bill is to require that all deputy department heads file statements. A special clause was added for the Department of the Attorney General, because all of its attorneys are designated as deputies.

Your Committee received testimony in support of this bill from the State Ethics Commission.

Your Committee amended this bill to further clarify that the requirement of a financial disclosure statement applies only to the Attorney General and the first deputy attorney general, and not to divisional heads within the Department.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 800, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 480 Judiciary on S.B. No. 801

The purpose of this bill is to add to the dollar amount ranges used by state employees, elected officials and elective office candidates who are required to file financial interest statements pursuant to the State Ethics Code.

The current law provides specific dollar ranges up to \$150,000 that may be used by state employees, elective officials and elective office candidates who are required to file financial interest statements with the State Ethics Commission. Those persons with financial interests over \$150,000 may disclose only that the value of those interests exceed \$150,000. The bill provides additional dollar ranges over \$150,000 and up to \$1,000,000 so that disclosures are more specific.

Your Committee finds that increases in salaries and real property values necessitate the additional ranges provided in the bill, which serves to better carry out the purposes of our disclosure laws.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 801, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 481 Judiciary on S.B. No. 802

The purpose of this bill is to ease post-employment restrictions on former legislators and state employees to allow them to work in their area of expertise so long as there is no personal contact for one year with state officials and employees with whom they worked.

The current law prohibits former legislators and state employees for a period of one year from providing any assistance or representation to anyone for compensation on any matter involving official action by the state agency or subdivision with which they served. In some instances, the current law renders former employees virtually unemployable for one year. For example, a former deputy attorney general who had advised the Department of Labor and Industrial Relations on worker's compensation cases would be prohibited for one year from doing even background research on any state worker's compensation case, even though that deputy had no previous involvement in that case.

Your Committee received testimony in support of this bill from the State Ethics Commission.

Your Committee finds that this bill strikes an appropriate balance between the public's interest in preventing former state personnel and legislators from peddling their influence and the interest of the employee or legislator in obtaining subsequent employment. Your Committee further finds an overly restrictive post-employment statute runs the risk of deterring competent individuals from accepting state employment.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 802, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 482 Judiciary on S.B. No. 803

The purpose of this bill is to repeal Section 84-31.5, Hawaii Revised Statutes, which requires that the Ethics Commission maintain a record of all persons examining public disclosure statements.

Testimony in support of the bill was offered by the State Ethics Commission, Office of Information Practices, the Conservation Council for Hawaii and a private individual. The proponents of the bill fear that the current law has a chilling effect on persons who wish to view the statements anonymously for fear of reprisal or harassment. Proponents testified that the repeal of the current law would be consistent with the Uniform Information Practices Act, Chapter 92F, which promotes open government, while protecting an individual's right to privacy.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 803, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 483 Judiciary on S.B. No. 804

The purpose of this bill is to amend Section 84-31(c), Hawaii Revised Statutes, which prohibits anyone from divulging information relating to a charge filed with the State Ethics Commission prior to the issuance of a formal complaint. Violation of the current statute is a class C felony or, in the case of a legislator, cause for disciplinary action.

The current language is too restrictive and puts an unnecessary and sometimes injurious gag order on the Commission and its staff. In addition, decisions in Rhode Island, Florida and Hawaii's Third Circuit suggest that the prohibition on disclosure by members of the public violates the First Amendment.

The bill narrows the scope of the provision in two ways. First, only Commission members and staff are prohibited from making disclosures. Second, provision is made for the person charged to consent to disclosure of information by Commission members and staff. In addition, the penalty provisions are reduced to a civil fine and the Commission is authorized to clarify misstatements concerning charges that may or may not have been filed with the Commission.

Your Committee received testimony in support of the bill from the State Ethics Commission and a private individual.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 804, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Crozier and Koki.

SCRep. 484 Judiciary on S.B. No. 806

The purpose of this bill is to clarify when government officials, employees and public officials are required to comply with the provisions of the Lobbyist Law.

Section 97-2(e), Hawaii Revised Statutes, exempts government officials, employees and public officials from the Lobbyist Law if they are lobbying in their official capacities. However, in some instances, officials or employees have hired outside lobbyists to lobby for them, and the current law is unclear as to whether the exemption applies to officials or employees in those instances. The bill remove this ambiguity and make it clear that the government official, employee or public official who hires the services of an outside lobbyist is required to comply with the provisions of the Lobbyist Law.

Your Committee received testimony in support of this bill from the State Ethics Commission.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 806, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 485 Judiciary on S.B. No. 1259

The purpose of this bill is to exempt the State from all statutes of limitations set forth in the Hawaii Revised Statutes, unless specifically included.

The legislature has created statutes of limitations which provide that a party may not maintain a court action after a certain amount of time has passed, typically from the date an injury occurred or was discovered. Hawaii common law has consistently stated that, despite these legislatively created limitations for bringing suit, the State may nonetheless bring and maintain actions to recover for injuries it has sustained. This principle is known as "nullum tempus occurrit regi," meaning "time does not run against the sovereign." However, the last Hawaii judicial decision addressing this principle was decided prior to statehood. See Territory v. Estate of Kealoha, 43 Hawaii 237 (1959). This bill will codify this common law principle and thereby remove any ambiguity as to its current validity.

Your Committee made some technical amendments for clarification.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1259, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 486 Judiciary on S.B. No. 1417

The purpose of this Act is to increase the number of days between the primary and general election to give election officials more time to prepare for the general election.

Your Committee received testimony in support of the bill from the Office of the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii.

The Office of Lieutenant Governor testified that the present law imposes severe time constraints on election officials. Election officials are hard-pressed to ensure that absentee ballots for the general election are printed during that interim, especially since the federal government asks that absentee ballots be mailed to overseas and military voters at least 45 days prior to an election. In some election years, there are only 45 days between the primary and general election. Adequate time is also needed to address and to minimize any detrimental effects caused by unanticipated situations, such as untimely candidate vacancies or challenges to an election.

Your Committee finds that the bill is necessary to ensure the integrity of the election process. However, your Committee amended the bill by adding an automatic repeal date of December 31, 1993. It is anticipated that Hawaii will have adopted some form of electronic voting by that date and the additional time between the primary and general election will not be necessary.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1417, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 487 Judiciary on S.B. No. 1529

The purpose of this bill is to extend the sunset provision contained in the Hawaii Tort Reform Act of 1986 to 1993.

Act 2 of the 1986 Special Session was passed by the Legislature in response to increasing liability insurance rates and, in some cases, unavailability of liability insurance. Act 2 was a comprehensive tort reform package, which included, among other things, liability insurance regulations and changes in tort litigation.

Section 31 of the Act originally called for a repeal date of October 1, 1989 for certain provisions of the Act in 1989 that pertain to rate reduction relief, rebate or credit for excessive rates, prohibition of policy cancellation, nonrenewal of policies, and amendments to Hawaii Revised Statutes that abolish joint and several liability and limit damages recoverable for pain and suffering. In 1989, that repeal date was extended to 1991 to provide for a longer review period during which to evaluate these reforms.

Your Committee received testimony in support of the bill from the State Attorney General, the Hawaii Independent Insurance Agents Association, the Tort Reform Coalition, the Chamber of Commerce, the Hawaii Insurers Council, the Hawaii Medical Association, and the Statewide Medical Alliance for the Reform of Torts, most of which also supported striking the repeal date entirely to make the provisions permanent.

Your Committee finds that, although there is strong support for the bill, there were no statistics or evidence provided to your Committee showing that the provisions of the Tort Reform Act resulted in real benefits to the community, such as reductions in premiums, that would justify striking the repeal date entirely.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1529, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 488 Judiciary on S.B. No. 1539

The purpose of this bill is to clarify and amend the procedures of the Hawaii Civil Rights Commission, particularly those related to contested case hearings and appeal procedures. More specifically, the bill:

- (1) Clarifies that the Commission has jurisdiction to process complaints or award damages pursuant to Chapter 368 governing the Commission.
- (2) Explicitly provides that depositions may be conducted as part of the investigation and hearing process and that parties may be required to attend hearings and to testify.
- (3) Authorizes the Commission to file an action in circuit court to enforce conciliation agreements and predetermination settlements and requires compliance reviews of predetermination settlements.
- (4) Provides that complainants may file complaints with the Commission's executive director without the necessity of verification.
- (5) Defines "unlawful discriminatory practice" to include like terms used in other chapters of the Hawaii Revised Statutes.
- (6) Extends the deadline by which the Commission must complete its investigation and attempt conciliation, from 60 to 180 days after the filing of the complaint, and allows the Commission to grant extensions.
- (7) Clarifies procedures for the determination of reasonable cause and the issuance of a final conciliation demand, and delegates these functions to the executive director.
- (8) Changes references from public hearings to contested case hearings, which are the method of resolving complaints under Chapter 91.
- (9) Clarifies procedures for contested cases.
- (10) Eliminates the provisions for de novo review of the Commission's decisions by the circuit court.

Your Committee received testimony in support of this bill from the Hawaii Civil Rights Commission, Na Loio No Na Kanaka, and the Oahu Filipino Community Council. The Chamber of Commerce of Hawaii and the Hawai'i Women's Political Caucus supported the bill, except for the elimination of de novo review.

The primary concern expressed was that it was premature to eliminate the procedural safeguard provided by a de novo review of the Commission's decisions, which permits the courts to consider both evidence and legal conclusions without according deference to the Commission.

Your Committee finds that, the Commission is still in its infancy and has not developed a track record that justifies elimination of the de novo review standard. Therefore, your Committee has amended the bill by deleting Section 7.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1539, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 489 Judiciary on S.B. No. 1624

The purpose of this bill is to amend provisions of Chapter 671, Hawaii Revised Statutes, to allow medical tort claims against podiatrists to be heard by the Medical Claims Conciliation Panel and to allow licensed podiatrists to serve as panel members.

In support of the bill, members of Hawaii Podiatric Medical Association testified that podiatrists should not be excluded from participation in the Medical Claims Conciliation Panel proceedings simply because of the small size of their community.

Your Committee amended this bill by incorporating the substance of S.B. No. 132 regarding ad damnum clauses in medical tort cases, which was heard on the same agenda. S.B. No 132 deletes a redundant provision prohibiting the use of ad damnum clauses in medical torts claims, since a prohibition against the use of such clauses is already provided for under section 663-1.3, Hawaii Revised Statutes, which covers tort cases in general.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1624, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 490 Judiciary on S.B. No. 1837

The purpose of this bill is to authorize law enforcement officers to obtain fingerprints of minors who are arrested for law violations, and curfew and truancy violations for entry into the statewide automatic fingerprint identification system.

Under current law, fingerprinting of minors is limited to offenses which would constitute felonies if committed by adults, for use only by family court officials in connection with a criminal case which gave rise to the fingerprints. The bill will

extend fingerprinting of juveniles to all minors arrested, and will extend access of this information to the Attorney General and county police departments for use in law enforcement and delinquency prevention.

Your Committee received testimony in support of this bill from the Attorney General, county prosecutors and county police chiefs.

The primary concern raised by opponents to the bill was that subjecting minors charged with minor law violations and status offenses to fingerprinting procedures may stigmatize and traumatize these minors, thereby interfering with rehabilitation.

However, a child psychologist whom your Committee contacted stated that he foresaw no adverse psychological effects on a child as a result of the fingerprinting process and, in fact, believed that it may be beneficial as a tool for early intervention.

Your Committee is persuaded that this bill will assist in the early identification and intervention of those children in need of assistance or supervision. Your Committee also believes that children need to recognize that violations of the law are to be taken seriously.

Your Committee recognizes that some children may be too young or immature to comprehend the seriousness of their actions and therefore amends this bill to apply only to those law violators and status offenders at least fourteen years of age.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1837, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 491 (Majority) Judiciary on S.B. No. 1852

The purpose of this bill is to establish a minimum standard that public school officials must follow when conducting a warrantless search.

The bill authorizes a public school official to conduct a search of a student's person or personal effects when there is reasonable suspicion that the search will turn up evidence that the student has violated or is violating the law or school regulations, provided that the search is limited in scope and reasonably related to its purpose.

The bill also prohibits the Department of Education from establishing procedures less intrusive than the standard provided for in the bill.

The Honolulu Department of the Prosecuting Attorney testified that public schools are presently required to follow guidelines established by the Department of Education that are overly restrictive and may even jeopardize campus safety. For example, if a school official suspects a student is carrying a loaded gun, current guidelines require that official to first inform the student of the official's suspicions and then give the student the opportunity to voluntarily give up the weapon, before attempting a search. This requirement places both the official and others in the area in potential danger.

The Department of Education testified that, although it supported the intent of the bill, it is presently reviewing its search and seizure procedures and therefore legislation in this area may be unnecessary. The department conceded, however, that revision of administrative procedures is a long process and new procedures would not be implemented until the 1992 school year.

Your Committee subsequently contacted both the Hawaii Government Employees' Association, and the Hawaii State Teachers' Association. The former, which represents school administrators, security officers and other campus personnel, supported the bill. The latter took no position on the bill, since searches are generally conducted by administrators.

Your Committee finds that the bill responds to circumstances that threaten the safety of school children and officials as well as the educational process itself. The bill will provide greater protection to school officials by eliminating cumbersome requirements while protecting the privacy of the individual student with the implementation of standards promulgated in the United States Supreme Court's 1985 decision in New Jersey v. T.L.O., 469 U.S. 325.

Your Committee further finds that this bill can provide needed interim protection while the Department of Education reviews its current procedures.

Your Committee amended the bill to include an automatic termination date to take effect after a date by which the Department of Education is expected to have revised its procedures. If the Department, after the effective date of this Act, adopts procedures pursuant to chapter 91 which are at variance with the provisions of this Act, the Department's procedures shall supersede the conflicting provision in this Act. In effect, this Act is an interim measure until the Department revises its procedures.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1852, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.
Senator Crozier did not concur.

SCRep. 492 Judiciary on S.B. No. 2145

The purpose of this bill is to eliminate excessive hardship to the defendant from the list of factors that must be considered by the court in determining whether to impose a term of probation.

Your Committee received testimony from the Office of the Public Defender, the Honolulu Police Department, and the American Civil Liberties Union.

There was concern that passage of this bill will prohibit the court from considering excessive hardship to the defendant, even in those instances where incarceration could cause such a severe hardship as to be unjustified and thus be cause for probation.

Your Committee finds that this bill does not preclude the court from considering excessive hardship as a factor in imposing probation, but simply makes it no longer mandatory for the court to do so. In recommending passage of this bill, your Committee does not intend to limit the court's discretion in considering all factors relevant to the proper disposition of a defendant.

Your Committee amended this bill to replace masculine terms with gender neutral language.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2145, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 493 Housing and Hawaiian Programs on S.B. No. 1251

The purpose of this bill is to clarify that the burden of proof in establishing the fair market value of the leased fee does not rest on the Housing Finance and Development Corporation in eminent domain actions under Chapter 516, Hawaii Revised Statutes.

Your Committee finds that the Housing Finance and Development Corporation has no direct interest in the amount of the award in Chapter 516 eminent domain actions and should not be put to the expense and concern of establishing value in such cases.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1251 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except McMurdo.

SCRep. 494 Housing and Hawaiian Programs on S.B. No. 1348

The purpose of this bill is to exempt from the Landlord-Tenant Code, residency or occupancy in a public housing complex or shelter directly controlled, owned, or managed by the Hawaii Housing Authority.

Your Committee received testimony in support of the bill from the Hawaii Housing Authority. Your Committee finds that the Hawaii Housing Authority is effectively governed by State and Federal law and administrative rules which provide adequate safeguards and procedures for landlord-tenant relations between the Hawaii Housing Authority and its tenants without the application of the provisions of the Residential Landlord-Tenant Code.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1348 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 495 Housing and Hawaiian Programs on S.B. No. 1352

The purpose of this bill is to declare a moratorium on the conversion of existing rental units to condominium status for a period of four years beginning on the effective date of the Act.

Your Committee received testimony from a substantial number of public and private agencies. Your Committee finds that elements of both the public and private sector are evenly divided on the issue of the proposed conversion moratorium.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1352 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 496 Housing and Hawaiian Programs on S.B. No. 1634

The purpose of this bill is to amend the Residential Landlord-Tenant Code by increasing the notice period for termination of a month-to-month tenancy from twenty-eight days to forty-five days.

Your Committee received testimony from the Department of Commerce and Consumer Affairs, the Diocese of Honolulu, and the Affordable Housing Alliance in support of the bill.

Your Committee finds that existing conditions in the State's rental housing market make it extremely difficult for tenants to relocate within twenty-eight days from the date of notice of termination of a month-to-month tenancy.

Your Committee has amended the bill by making technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1634, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 497 Education on S.B. No. 408

The purpose of this bill is to establish a State policy which provides that parents have an affirmative responsibility to participate in the education of their children in the public schools.

In addition, the measure allows the Board of Education to adopt rules to carry out this policy, but provides that the formulation of specific plans and activities for parental involvement shall be prerogative of the individual schools.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii Parent-Teacher Student Association.

By establishing this important policy, the Legislature reaffirms its support to the promotion of parental involvement and its importance in the public education process. Research has demonstrated that parents play a key role in the educational success of their children, and provide an invaluable resource to teachers, both inside and outside the classroom.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 408 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 498 Education on S.B. No. 1334

The purpose of this bill is to repeal Section 298-10, Hawaii Revised Statutes, relating to school attendance for blind and deaf children.

The Department of Education testified in support of this measure and stated that guidelines for educating blind and deaf children are included in the federal Education For All Handicapped Children Act and in Chapter 36, Title 8, Administrative Rules, "Provision of a Free and Appropriate Public Education for Exceptional Children Who Are Handicapped." These provisions adequately provide for the education of Hawaii's deaf and blind children. This bill is a housekeeping measure that will repeal an unnecessary State law.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1334 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 499 Education on S.B. No. 1335

The purpose of this bill is to authorize the Department of Education to disclose pertinent information about school personnel who have had their teaching certificates revoked to other national or state teacher certification agencies.

This bill will allow the Department of Education to participate in a nationwide program established by the National Association of State Directors of Teacher Education and Certification (NASDTEC) for the exchange of information about individuals whose teaching certificates have been revoked. Under this program, the information submitted by participating agencies will be compiled with similar information furnished by other cooperating states, and is then distributed to each participating state. Currently, only five states, including Hawaii, are not participating in this program.

Your Committee believes that the information provided by the NASDTEC is invaluable in facilitating the screening of teacher applicants to our public schools, and will help provide better quality teachers for our youth.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1335 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 500 Education on S.B. No. 1336

The purpose of this bill is to amend the laws of the State to reflect the name change of the Hawaii School for the Deaf and the Blind to the Statewide Center for Students with Hearing and Visual Impairments.

This bill is a housekeeping measure that will make the law consistent with the changes made by the Board of Education in 1989 regarding the scope of services for students with hearing and visual impairments.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 1336 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 501 Employment and Public Institutions on S.B. No. 369

The purpose of this bill is to amend several sections and rules in the Hawaii Revised Statutes by deleting references to the terms "public record," "public records," "public document," "public documents," or "public document or record" and interpolating therefor the terms "government record" or "government records," or like terms as the context requires.

This measure is housekeeping in nature and seeks to amend sections and rules which were affected by Act 262, Session Laws of Hawaii 1988 (Chapter 92F), but were not amended at the time Act 262 was enacted. However, testimony from the Office of Information Practices indicates that most of the sections and rules enumerated in the bill actually refer to public records available for inspection by the general public, as opposed to government records which may or may not be available for public inspection under the Uniform Information Practices Act (Modified).

Therefore, your Committee has amended this bill by deleting those sections or rules which reference "public records," in the context of records being open to the public. In so doing, your Committee is retaining the intent of this measure while making a distinction which balances the public's right to know with the efficient operation of government.

Your Committee has also amended this bill by making a technical change which has no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 369, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 369, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 502 Employment and Public Institutions on S.B. No. 955

The purpose of this bill is to amend the laws of Hawaii relating to military affairs.

Your Committee has amended this bill by inserting a provision authorizing the Governor, the Chief Justice, and the Mayors of the Respective Counties to extend through December 31, 1991 all deadlines for filing forms, applications, renewals, or other such documents, whether formal or informal, including any fees payable therewith, which otherwise would be required by law to be filed by military personnel returning from service abroad in Operation Desert Shield/Desert Storm.

The bill will be effective August 7, 1990, the date that Operation Desert Shield commenced and troops were first called into duty in the Persian Gulf.

Your Committee received supporting testimony from Brigadier General Edward V. Richardson, Adjutant General Designate, State of Hawaii, and finds that this measure is an appropriate extension of support as well as an expression of gratitude to the men and women who served so ably overseas in the Persian Gulf during Desert Shield and Desert Storm.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 955, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 503 Employment and Public Institutions on S.B. No. 1082

The purpose of this bill is to enhance the ability of exclusive bargaining unit representatives to obtain information regarding their members from public employers.

Specifically, the bill requires public employers to provide the addresses of bargaining unit members, with the exception of undercover agents, within thirty days of a written request, in a form conducive to electronic data processing, assuming the employer has such electronic capability.

Your Committee finds that Act 250, Session Laws of Hawaii 1990 (Section 89-16.6, Hawaii Revised Statutes), requires disclosure of information to exclusive bargaining representatives by public employers. However, this statute is silent regarding addresses, specific time limits, and electronic data processing capability. Therefore, your Committee has amended this bill by amending Section 89-16.6 to make provision for transmittal of home addresses within forty-five days in a form conducive to electronic data processing if the employer has such capability.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 504 Employment and Public Institutions on S.B. No. 1083

The purpose of this bill is to include public school teacher compensation and classification as negotiable items under collective bargaining.

Your Committee finds that the codified compensation and classification schedules have been in effect for more than twenty-five years, preceding the advent of collective bargaining in the public sector. Thus, today's teachers are relegated to bargaining for amounts which were considered suitable more than a generation ago, a situation which your Committee finds may be inappropriate in terms of today's cost of living and the weakening of the dollar.

However, repealing the schedules and making them exclusively subject to collective bargaining may result in ramifications that require close examination. Therefore, your Committee has amended this bill by deleting the substance and establishing a Teacher Classification and Compensation Review Committee within the Department of Education to examine the problems associated with establishing the schedules by statute. The Committee will be composed of two members appointed by the Board of Education, two appointed by the exclusive representative for bargaining unit (5), and the Director of Personnel Services or the Director's designee. The Chief Negotiator for the State will be an ex officio non-voting member. The Committee will submit a report of findings and recommendations to the 1992 legislature, after which it will be dissolved.

Your Committee finds this to be a sensible and productive approach to the issue which should produce satisfactory results for all parties.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1083, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 505 Employment and Public Institutions on S.B. No. 1285

The purpose of this bill is to provide flexibility in recruiting and hiring qualified persons for classes of employment declared to be in a shortage category and on continuous recruitment.

Specifically the bill authorizes the State to expeditiously hire qualified persons without regard for provisions requiring generation of certified lists of eligibles.

Your Committee received supporting testimony from the Director of Personnel Services and finds that this measure will help the State meet its personnel needs without compromising personnel quality or limiting employment rights of qualified applicants.

Your Committee has amended this bill by clarifying that the appointing authority may fill a vacancy, under the above-stated conditions, with any applicant who is qualified for appointment.

Your Committee has further amended this bill by adding a provision granting doctors and dentists the prerogative of remaining in civil service or opting for exempt status; provided that once a choice is made it shall be irrevocable, and provided further that all dentists and doctors newly employed after the effective date of this bill shall be civil service exempt.

Your Committee has also made technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 506 (Majority) Employment and Public Institutions on S.B. No. 1811

The purpose of this bill is to make it unlawful to discriminate in employment because of a person's sexual orientation.

Currently it is unlawful to discriminate in employment because of race, sex, age, religion, color, ancestry, handicapped status, marital status, or arrest or court record. Some of these characteristics are immutable, whereas some, like marital status and religion, are a matter of volition, but what they all have in common is the fact that it is offensive to human dignity to discriminate in employment because of them.

Your Committee finds that it is equally offensive, and contrary to national and state public policies, to allow discrimination in employment merely because of a person's sexual orientation, whether or not such orientation is immutable or voluntary.

Your Committee is pleased to note that this finding is corroborated by testimony submitted by the Roman Catholic Church of Hawaii, the United Methodist Church, Hawaii District, the United Church of Christ, and the Hawaii Council of Churches, as well as by several respected lay groups and individuals.

Your Committee has amended this bill by restoring the statutory material deleted from Section 368-1, Hawaii Revised Statutes, and by making some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1811, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senator Koki did not concur.

SCRep. 507 Health and Human Services on S.B. No. 479

The purpose of this bill is to identify specific hearing impaired groups in accordance with their preferences; to give any member of the Hawaii State Coordinating Council on Deafness who is a certified interpreter the same rights and privileges as any other Council member; and to provide interpreter services for nonprofit organizations.

Provision of interpreter services to nonprofit organizations would appear to be an undertaking which most certainly could not be adequately met at this time. The funding would likely be exhausted quickly. However, federal law mandates that by January 26, 1992, state agencies must provide interpreter services so that the fund will no longer be needed in this area. After consideration of these factors, your Committee has let the section providing interpreter services for nonprofit organizations remain with the hope that some method may be developed to meet the needs of those who need emergency or unplanned interpreter services. Your Committee notes that these services are statutorily connected to the amount of funding provided by the legislature.

Your Committee has made nonsubstantive amendments to correct technical drafting errors and for purposes of style and clarity.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 479, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 508 Health and Human Services on S.B. No. 1487

The purpose of this bill is to remove construction projects not involved in the actual delivery of health care from the requirements of a Certificate of Need.

Your Committee finds that the Community Committee on SHPDA, formed at the end of the previous legislative session, made an extensive and exhaustive review of Hawaii Revised Statutes Chapter 323D Health Planning and Resources Development and Health Care Cost Control. The Community Committee found that, because the purpose of this chapter is to promote accessibility for all the people of the State to quality health care services at reasonable cost, it was not intended to and should not cover expenses which are not related to the delivery of health care. Your Committee agrees with this assessment.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1487 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 509 Health and Human Services on S.B. No. 1951

The purpose of this bill is to enable hospitals to include qualified psychologists on their medical staff.

Your Committee received testimony in support of this measure from the Hawaii Psychological Association, the Pacific Institute of Behavioral Medicine, and many individual psychologists.

Your Committee finds that this measure will directly benefit consumers by enabling hospitals to allow patients to choose psychological care. While the Department of Health testified that it is currently drafting rules to meet this need and was therefore opposed to the bill's passage, your Committee finds that it has been two years since this issue was first brought to the legislature and the rules have yet to be put into effect. Therefore, your Committee feels that this measure should be passed at this time.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1951 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 510 Health and Human Serves on S.B. No. 1965

The purpose of this bill is to repeal the statutory mandate that drug dispensers offer generic drugs and advise the consumer of the difference in price between the brand name and generic drug.

Your Committee received testimony in opposition to this measure from the Department of Health. The Department pointed out that consumers have benefitted from this cost-saving measure. Your Committee agrees that it is in the best interests of the public to continue this provision.

Your Committee has therefore amended this bill by strengthening the law to require that every drug prescription contain specific information on substitutions signed by the subscriber.

Nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1965, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1965, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 511 Health and Human Services on S.B. No. 1776

The purpose of this bill is to establish a licensing program to be administered by the department of human services to ensure the safety and well-being of children and youth participants of outdoor youth programs.

Your Committee finds that wilderness survival programs are popular programs providing therapy for troubled teenagers. These programs can be highly effective in building self-esteem and getting these youth back on the right track. However, they are also prone to abuse.

Your Committee received testimony in support of this measure from the Attorney General whose primary concern is the migration to Hawaii of questionable programs from other states which require licensure.

Your Committee has amended this bill by exempting child caring institutions and foster boarding homes, both defined in Section 346-16, Hawaii Revised Statutes, from the requirements of the outdoor youth programs; and limiting the license requirements to outdoor youth programs that:

- (1) Offer specialized treatment and rehabilitation services for persons with emotional, psychological, developmental, or behavioral dysfunctions or impairments, or chemical dependencies; or
- (2) Last for more than ten days.

Your Committee has also made nonsubstantive amendments to correct technical drafting errors and to enhance clarity.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1776, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 512 Health and Human Services on S.B. No. 1359

The purpose of this bill is to allow state approved basic life support personnel to perform certain medical procedures while under the direction and personal supervision of a mobile intensive care technician; and add four members to the State Emergency Medical Services Advisory Committee who are mobile intensive care technicians or emergency medical technicians and who are working full-time in prehospital emergency medical service.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee has made nonsubstantive amendments to correct technical drafting errors.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1359, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 513 Health and Human Services on S.B. No. 1366

The purpose of this bill is to clarify and expand the law on who is permitted to receive certified copies of vital records.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee has amended this bill by allowing persons who need a vital record for the determination or protection of a personal right. These persons include legal representatives of adoptive parents who have filed a petition for adoption and who need to determine the death of one or more of the prospective adopted child's natural or legal parents.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1366, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 514 Agriculture and Environmental Protection on S.B. No. 1278

The purpose of this bill is to protect live coral on the bottom of the ocean from anchoring, since anchors can be particularly dangerous to bottom dwelling coral. The bill will also protect snorkelers and divers by allowing the regulation of boating in Marine Life Conservation Districts.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1278 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 515 Agriculture and Environmental Protection on S.B. No. 2031

The purpose of this bill is to change the procedures for the merger and consolidation of agricultural cooperative associations to permit a Hawaii agricultural cooperative association to merge or consolidate with an agricultural cooperative association formed under the laws of another jurisdiction.

Based on testimony received by the Department of Commerce and Consumer Affairs, your Committee has amended this bill by making two technical corrections to clarify language and to specify that the effective date is the time and date of filing or at a later date specified in the articles but not more than thirty days after filing.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 2031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2031, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 516 Agriculture and Environmental Protection on S.B. No. 2053

The purpose of this bill is to repeal chapter 422, Hawaii Revised Statutes, known as The Fish Marketing Act, and include "fish commodities" within chapter 421, Hawaii Revised Statutes, which establishes the procedures for agricultural associations.

Your Committee has amended this bill by adding a savings clause to prevent any currently registered fish marketing association from being inadvertently dissolved by this change.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 2053, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2053, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 517 Transportation and Intergovernmental Relations on S.B. No. 25

The purpose of this bill is to facilitate disposal of abandoned vehicles towed by the counties when registered or legal owners of these vehicles refuse to accept notice by certified mail.

Your Committee finds that currently registered or legal owners of abandoned vehicles can avoid paying towing charges by simply not signing a registered or certified mail receipt. This bill will allow for an abandoned vehicle notification to be deemed received by the registered or legal owner five days after mailing rather than requiring a registered or certified mail receipt signed by the owner.

Your Committee received supporting testimony from the Department of Transportation and from the City and County of Honolulu, Department of Finance.

Your Committee has amended this bill by changing the section amended from Section 290-11 to Section 290-2, Hawaii Revised Statutes.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 25, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 25, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 518 Transportation and Intergovernmental Relations on S.B. No. 62

The purpose of this bill is to allow liquor commissions to provide support programs relating to the enforcement of liquor and liquor-related laws, and alcohol education and rehabilitation.

Your Committee received supporting testimony from the Department of Health, and Mothers Against Drunk Driving.

Your Committee has amended this bill by deleting those sections that allow liquor commissions to use their fees to support and provide programs related to alcohol education. Provisions were included to ensure that fees collected by liquor commissions may not be used for the acquisition of capital assets.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 62, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 62, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 519 Transportation and Intergovernmental Relations on S.B. No. 212

The purpose of this bill is to require that both the maximum charge for towing and the phone number of the Office of Consumer Protection be included on every posted notice which prohibits vehicles from parking on property without authorization.

Your Committee has amended the bill by deleting the provision which requires that the maximum towing charge to the owner of the unauthorized vehicle be included on the posted notice.

Your Committee finds that mandating inclusion of maximum amounts charged would be expensive and burdensome as the signs would need to be updated upon every rate change. In addition, to list a complete schedule of towing charges which vary according to size of vehicle and distance to storage lot is an unreasonable requirement for property owners.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 212, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 520 (Majority) Transportation and Intergovernmental Relations on S.B. No. 1297

The purpose of this bill is to permanently raise the minimum drinking age from 18 to 21 years of age.

Your Committee received favorable testimony from the Department of Transportation, the Hawaii Medical Association, and Mothers Against Drunk Driving.

Your Committee finds that this legislation will contribute to reducing the number of traffic accidents involving young adults. Also, without such legislation, the State of Hawaii stands to lose \$9 million in federal highway funds as a consequence of Public Law 98-363.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1297 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee .
Senator Cobb did not concur.

SCRep. 521 Transportation and Intergovernmental Relations on S.B. No. 1304

The purpose of this bill is to ensure that all commercial and non-commercial activities at public airports are subject to the penalty provisions of Section 261-21, Hawaii Revised Statutes.

Prior to its amendment in 1980, Section 261-21, HRS, covered penalties for violations of all administrative rules of the Department of Transportation Airports Division. When the law was amended in 1980, the penalties for violation of rules relating to the licensing and regulation of persons engaged in commercial activities in or about the airport premises were inadvertently left out.

Your Committee received testimony in support of this bill from the Department of Transportation.

Your Committee has amended this bill by removing provisions that allow for the adoption of rules by the Department of Transportation relating to: (1) noncommercial airport activities, and (2) matters of convenience to persons at the airport. Your Committee has made technical, nonsubstantive amendments for clarity and style.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1304, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 522 Transportation and Intergovernmental Relations on S.B. No. 1306

The purpose of this bill is to make it an offense for any person to allow or to mislead others into allowing a person under the age of fifteen to operate a thrill craft.

Currently, Section 267-16(a), Hawaii Revised Statutes, prohibits any person under the age of fifteen from operating thrill craft.

Your Committee received testimony in support of this bill from the Department of Transportation.

Your Committee finds that this bill will address the responsibility of adults who permit or mislead others into permitting a person under the age of fifteen to operate a thrill craft.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1306 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 523 Transportation and Intergovernmental Relations on S.B. No. 1902

The purpose of this bill is to strengthen and clarify the notification procedures and requirements applicable to the towing of abandoned vehicles.

Specifically, the bill gives companies that tow or store abandoned vehicles possessory liens on the vehicles and their contents for all reasonable charges for towing, storage, and administrative costs relating to the liens and their foreclosure if certain notice requirements are met.

Your Committee finds that, due to the volume of requests for the identification of legal and registered owners of abandoned vehicles, it would be extremely difficult for the Department of Transportation and the county Departments of Finance to respond to all inquiries within twenty-four hours, as originally provided by the bill. Your Committee believes that ten working days is a more realistic deadline and has amended the bill accordingly.

Your Committee further finds that vehicles towed pursuant to Section 290-1, Hawaii Revised Statutes, are those that have been abandoned on public highways and towed under the direction of the counties. Because Sections 290-2 through 290-6 adequately provide for the disposition of such vehicles, your Committee has deleted the provision allowing a possessory lien for abandoned vehicles towed pursuant to Section 290-1.

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

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1902, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 524 Agriculture and Environmental Protection on S.B. No. 1524

The purpose of this bill is to require the installation and use of restricted water flow devices and fixtures in all new construction projects after June 31, 1993.

Your Committee has made nonsubstantive amendments to correct technical drafting errors.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1524, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1524, S.D. 3, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 525 Housing and Hawaiian Programs on S.B. No. 363

The purpose of this bill is to authorize the owner of the fee simple land under a condominium or cooperative project to sell the proportionate undivided leased fee interest to the unit's lessee without offering a right of first refusal to the association of owners or the cooperative housing corporation.

Your Committee finds that providing this flexibility to fee owners will further the goal of encouraging voluntary sales of the fee interest in leasehold properties.

Your Committee has amended the bill to increase the time a lessee has to accept or reject an offer from sixty to one hundred twenty days and to require that notice of the offer to the lessee be sent to the association of owners or the cooperative housing corporation.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 363, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 526 Judiciary on S.B. No. 23

The purpose of this bill is to allow a health care provider to apply to the Medical Claims Conciliation Panel for expungement of all records of proceedings related to a complaint that has been dismissed, and to require the panel to expunge all records if the complaint is found to be fraudulent or frivolous.

In addition, the bill prohibits an insurer from increasing rates for property and casualty insurance for health care providers on the basis of the filing of a complaint that is determined to be fraudulent or frivolous by the Medical Claims Conciliation Panel.

Your Committee finds that this measure will protect falsely accused health care providers.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 23, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 527 Judiciary on S.B. No. 1168

The purpose of this bill is to provide a uniform licensing process for the various professions and vocations regulated by the State.

Currently, the Department of Commerce and Consumer Affairs regulates approximately forty-four professions and vocations. This bill encompasses fundamental areas relating to licensing including the organization of boards and commissions, powers and duties of the licensing authority, the application process, licensee reporting requirements, licensing sanctions, and civil and criminal sanctions.

Your Committee finds that a uniform licensing process will ensure consistency and reasonableness in the regulation of professions and vocations. It will also facilitate future improvements to the licensing process.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1168, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 528 Judiciary on S.B. No. 1270

The purpose of this bill is to extend from July 1, 1991 to September 30, 1992 the time by which all state and county agencies must complete the public records report required by Section 92F-18(b), Hawaii Revised Statutes.

The Office of Information Practices (OIP) was created in 1989 to implement the Uniform Information Practices Act (Modified), which requires all public agencies to prepare a report describing each set of records it routinely uses or maintains, utilizing forms prescribed by the OIP. However, the automated Records Report System which the OIP must use to receive and properly store this information will not be on-line until May, 1991. Subsequent training on use of the System will further delay implementation until the end of the year.

Your Committee finds that in light of unavoidable delays in implementing the System, it is appropriate to change the information submission date accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1270 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 529 Judiciary on S.B. No. 1271

The purpose of this bill is to provide an alternate solution to state boards or commissions which are unable to take official action on a matter for lack of a quorum by authorizing the Governor to appoint acting members and extend the stated period of time by which the board or commission must take final action on a matter.

The appointment of an acting member of the board or commission during the temporary absence from the State or illness of a regular member is currently authorized by section 25-36, Hawaii Revised Statutes. However, in an increasing number of instances, lack of a quorum is caused by disqualification or recusal of a board member.

A member of a state board or commission is prohibited by section 84-14(a), Hawaii Revised Statutes, from taking "any official action directly affecting: (1) [a] business or other undertaking in which he has a substantial financial interest; or (2) [a] private undertaking in which he is engaged as legal counsel, advisor, consultant, representative, or other agency capacity." Moreover, even if a state board member is not clearly disqualified or prohibited by law from taking official action on a specific matter, the board member may request that he or she be excused to avoid even the appearance of impropriety or lack of impartiality. Thus, often a board is lacking a quorum because a member is disqualified or asks to be excused due to possible conflict of interest.

The appointment of an acting board member is intended to insure the continued and orderly functioning of a board without disruption due to lack of a quorum; it is not intended to replace a regular board member for all purposes or for the remaining term of the regular member's appointment. Thus, a written appointment of an acting board member stating the specific reason for such appointment should be made and filed with the Lieutenant Governor's Office as a public record. Thereafter, the acting board member's term of appointment should continue only until the reason specified in the written appointment no longer exists.

Furthermore, in certain instances a matter coming before a board has been "approved by default" because the state board is required by law to act on the matter within a stated period of time and the board has been unable to take final action on the matter due to the lack of a quorum. To avoid a reoccurrence of such "approvals by default," the proposed legislation automatically extends the stated period of time by which the board must act on the matter until after the completion of the next meeting at which a quorum of members necessary to take final action on the matter is present.

The bill defines "board" to exclude the board of education and the board of regents of the University of Hawaii but include all other boards that make official decisions through the deliberation and voting of its members during publicly announced meetings.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1271, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt .

SCRep. 530 Judiciary on S.B. No. 1598

The purpose of this bill is to help ensure the safety of athletic contest officials by making an assault of an athletic contest official a misdemeanor.

Last year alone, it is estimated that there were at least fifteen cases of sports officials in Hawaii being verbally or physically "assaulted" by so-called "fans". Athletic contest officials are a special class of individuals who are required to maintain order under circumstances that are inherently emotional.

The new offense of assault against an athletic contest official is identical to the offense of assault in the third degree, with two exceptions: the application to the limited class of officials and the absence of mutual consent language. Your Committee has revised the bill to amend the offense of assault in the third degree instead of creating a new offense. The amendment provides that the "mutual consent" provision, which reduces the penalty to a petty misdemeanor, shall not apply if the victim of the assault is an athletic contest official who was engaged in the performance of official duties.

It is in the public interest for officials to intervene to prevent an escalation of violence or a broadening of participation in violent behavior. An unruly fan who assaults an official who is attempting to restore order should not be heard to argue that the official had consensually entered into the fray.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1598, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1598, S.D.1.

Signed by all members of the Committee except Senator Holt.

SCRep. 531 Judiciary on S.B. No. 1714

The purpose of this bill is to make general amendments to Article 3 of the Uniform Commercial Code (UCC) relating to negotiable instruments and Article 4 relating to bank deposits and collections.

This bill amends the laws relating to the issuance and payment of instruments, the negotiation, transfer of possession, and endorsement of instruments, the enforcement of instruments, liability of parties, and dishonored instruments. Relatedly, the bill conforms applicable provisions of the UCC relating to bank deposits and collections.

Your Committee contacted the Hawaii Bankers Association who stated no objection to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1714, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators McMurdo and Koki.

SCRep. 532 Judiciary on S.B. No. 1962

The purpose of this bill is to amend certain provisions of Chapter 342J, Hawaii Revised Statutes, which deal with hazardous waste requirements to make the State's hazardous waste regulatory program substantially equivalent to the federal Resource and Recovery Act (RCRA) program administered by the United States Environmental Protection Act (EPA) as part of a plan to obtain authorization from the EPA for the State to administer its hazardous waste program in lieu of the federal RCRA program.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1962, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 533 Judiciary on S.B. No. 2095

The purpose of this Act is to require that the Office of Hawaiian Affairs be made a defendant in any quiet title action involving kuleana lands where an owner of the inheritable interest died intestate, or partially intestate and the partial intestacy includes the kuleana land, and there is or was no taker under article II of the Hawaii uniform probate code.

Your Committee finds that this bill addresses difficulties encountered in fully implementing the public policy of the Kuleana Escheat Act of 1987 by requiring that Office of Hawaiian Affairs be joined as a defendant in any quiet title action involving kuleana land; if the plaintiff has reason to believe that an owner of an inheritable interest died intestate and without a taker under article II of the Hawaii Uniform Probate Code.

Your Committee amended the bill by providing that service of complaint be made directly to the Office of Hawaiian Affairs and deleting reference to the Department of the Attorney General. This amendment will allow the Office of Hawaiian Affairs to continue to retain its own attorney, pursuant to section 103-3, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2095, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2095, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 534 Judiciary on S.B. No. 1719

The purpose of this bill is to conform the law relating to bulk sales to present day business needs and practices.

Specifically, the bill repeals Article 6 of Chapter 490 (Uniform Commercial Code) relating to "bulk transfers," and replaces it with a new Article 6 entitled "Bulk Sales."

Bulk transfer laws were originally drafted in response to a fraud perceived to be common around the turn of the century wherein a merchant would acquire his stock in trade on credit, then sell the entire inventory in bulk and abscond with the profits, leaving creditors unpaid.

Times and business ethics change, and your Committee finds that the present Article 6 imposes unnecessary burdens on sellers, particularly those with a large number of creditors. This new version will reduce the burdens and risks imposed upon good-faith buyers of business assets while increasing the protection afforded to creditors.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1719, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 535 Consumer Protection and Business Regulation on S.B. No. 154

The purpose of this bill is to require all manufacturers and packers of Kona coffee to state the percentage of Kona coffee in their Kona coffee products.

Your Committee finds that Kona coffee is a valuable agricultural product of the State. In order to maintain the high quality of Kona coffee products and continued viability of the industry, quality control and product differentiation is essential.

Your Committee has amended this bill by adding a new section to provide specific requirements for minimum content and labeling of Kona coffee.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 154, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 536 Consumer Protection and Business Regulation on S.B. No. 389

The purpose of this bill is to allow financial services loan companies licensed in Hawaii to establish branches in the Territory of Guam and the Commonwealth of the Northern Marianas.

Currently, banks and savings and loan institutions licensed in Hawaii are permitted to establish out-of-state branches, some of which have been operating in Guam and the Commonwealth of the Northern Marianas for over twenty-five years. Your Committee finds that this bill will give financial services loan companies the statutory authority to operate branches in Guam and the Commonwealth of the Northern Marianas under the same controls and restrictions that apply in Hawaii, and will allow these companies to expand their operations in a market closely associated with Hawaii.

Your Committee has amended this bill by increasing the application fee required to establish a financial services loan company branch in the Territory of Guam and the Commonwealth of the Northern Marianas from \$100 to \$500 for each branch sought to be established. In addition, your Committee has made several technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 389, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 537 Consumer Protection and Business Regulation on S.B. No. 740

The purpose of this bill is to require that at least fifty percent of all premiums collected in the State by any insurer be retained and invested in Hawaii.

Your Committee finds that this measure will assist in the overall economic growth and stability of the State.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 740 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 538 Consumer Protection and Business Regulation on S.B. No. 819

The purpose of this bill is to require thrift account obligations to be insured by the Federal Deposit Insurance Corporation to the extent provided by law, and to repeal the Industrial Loan Company Guaranty Act.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 819 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 539 Consumer Protection and Business Regulation on S.B. No. 827

The purpose of this bill is to prohibit persons from selling or offering to sell, or exposing for sale, any macadamia nuts or macadamia nut product labeled "Grown in Hawaii," which is not one hundred per cent produced within the State.

Further, this bill requires persons selling macadamia nuts grown in Hawaii to provide notice that the products have been "Grown in Hawaii" by displaying a label or sign stating that the macadamia nuts were grown in Hawaii.

Worldwide production and sale of macadamia nuts have increased significantly in recent years. In order to preserve the quality and reputation of Hawaii macadamia nuts and maintain the continued viability of this important industry, quality control and product differentiation is essential.

Your Committee has amended this bill by adopting the recommendations of the Department of Agriculture to strengthen the language of the bill by:

- (1) Requiring any person making a representation that macadamia nuts were grown in Hawaii to make available to the administrator of the Division of Measurement Standards, documented proof that 100 percent of the macadamia nuts were grown in the State;
- (2) Requiring any declaration provided on a consumer package of macadamia nuts stating that the nuts were grown in Hawaii, to appear on the principal display panel and to state, "100% Hawaii-Grown Macadamia Nuts";
- (3) Requiring all non-consumer packages containing macadamia nuts grown in the State to be introduced into intrastate or interstate commerce to bear a declaration that the package contains Hawaii-grown macadamia nuts; and
- (4) Providing that it shall be a violation of this section to use a declaration giving notice that any package of macadamia nuts is 100 percent Hawaii-grown nuts if in fact, any portion of the nuts contained in the package are not grown in the State.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 827, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 540 Consumer Protection and Business Regulation on S.B. No. 1123

The purpose of this bill is to extend the regulation of pest control operators to December 31, 1997 under the sunset law.

The bill also amends the definition of household pests to include birds, and changes the composition of the membership of the Pest Control Board. Further, this bill provides for the licensure of a pest control business only if it is under the direct management of an operator with an appropriate license, and requires the filing of an approved general liability insurance policy for the pest control business with the Director of the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Board of Agriculture, the Pest Control Board, and the Hawaii Pest Control Association.

Your Committee has amended the bill by:

- (1) Increasing the number of members on the Pest Control Board from seven to nine;
- (2) Increasing the number of members appointed by the Governor from four to six;
- (3) Increasing the number of active licensed pest control operators on the board from two to four; and
- (4) Providing for licensure of any pest control business if it is under the direct management of a responsible managing employee.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1123, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 541 Consumer Protection and Business Regulation on S.B. No. 1205

The purpose of this bill is to amend refund and exchange policy requirements when a purchase is made by credit card.

Specifically, if the refund is made by crediting the purchase price and charge to the purchaser's credit card account, the seller is required to submit the charge card credit memo or other documentation to the seller's financial institution within three days after return of the goods.

Your Committee heard supporting testimony from the Retail Merchants of Hawaii and the Department of Commerce and Consumer Affairs.

Your Committee has amended the bill increasing the time limit for submission of the credit documentation to the financial institution from three to five working days.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1205, S.D.1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 542 Consumer Protection and Business Regulation on S.B. No. 1206

The purpose of this bill is to clarify procedures for application and maintenance of temporary permits, apprentice permits, and beauty shop licenses.

Specifically, this bill:

- (1) Allows for cosmetology permits to be valid for a period of time covering the three consecutive examinations offered by the board after the permit's date of issuance;
- (2) Requires an apprentice to work only in a licensed beauty shop under the supervision of a licensed beauty operator;
- (3) Requires beauty shops to maintain records of appointments and services offered to clients for three years; and
- (4) Requires beauty shops to have equipment and facilities as prescribed by rules of the board.

Your Committee heard supporting testimony from the Board of Cosmetology.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1206 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 543 Consumer Protection and Business Regulation on S.B. No. 1207

The purpose of this bill is to require an osteopathic physician or applicant for licensure to report in writing to the board of osteopathic examiners, any disciplinary decision issued in another jurisdiction against the licensee or applicant, within thirty days after the disciplinary decision is issued.

The bill further provides that failure to report such disciplinary decision shall be grounds for refusal to issue, suspension, or revocation of a license.

Unlike a similar provision pertaining to medical physicians, Section 460-12, Hawaii Revised Statutes, does not currently provide a specified time in which an osteopathic physician must report to the Board regarding disciplinary action taken against the osteopathic physician in another jurisdiction. Without a deadline for reporting such action, timely enforcement of this provision is extremely difficult.

Your Committee made technical, nonsubstantive amendments to correct drafting errors and for clarity and style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1207, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 544 Consumer Protection and Business Regulation on S.B. No. 1208

The purpose of this bill is to amend the law relating to the Medical Claims Conciliation Panel (MCCP).

The proposed amendments address various situations that have occurred during the MCCP process, and attempt to streamline the current system. Specifically this bill:

- (1) Allows the Director of the Department of Commerce and Consumer Affairs to appoint chairpersons of MCCPs from a list of eligible persons approved by the Chief Justice of the Hawaii Supreme Court;
- (2) Requires the physician or surgeon member of the MCCP to hold a current license and be in good standing under the laws regulating the practice of medicine and surgery, and osteopathy;

- (3) Gives the Director of the Department of Commerce and Consumer Affairs the discretion to provide partial compensation to MCCP members and consultants called by the MCCP if the claim is disposed of prior to the MCCP hearing; and
- (4) Allows the chairpersons of MCCPs to designate alternate meeting places or hearing sites.

Your Committee heard supporting testimony from the Department of Commerce and Consumer Affairs.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1208 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 545 Consumer Protection and Business Regulation on S.B. No. 1210

The purpose of this bill is to address the issue of redomestication of authorized insurance companies.

Specifically, this bill will provide for the certificate of authority, agent appointments and licenses, and rates of an authorized insurer transacting business in Hawaii, to remain in full force and effect when the insurer transfers its corporate domicile to this State or any other state, provided that the insurer remains qualified to do business in Hawaii. In addition, this bill provides that existing policies shall remain in full force and effect and need not be endorsed with the new name or location of the company, unless ordered by the Insurance Commissioner.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Protection.

Your Committee has adopted the recommendation of the Insurance Division to add clarifying language allowing insurance companies redomiciling in Hawaii to continue operations under their existing certificates of authority and with their existing agent appointments only if they meet the organization and licensing requirements of a domestic insurer.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1210, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 546 Consumer Protection and Business Regulation on S.B. No. 1211

The purpose of this bill is to change the application deadline for the dental hygiene examination from thirty to sixty days prior to the examination date.

The Department of Commerce and Consumer Affairs, whose Licensing and Examination branches process dental hygiene examination applications, testified that lengthening the deadline to sixty days would ensure that the Department would be able to process applications in a timely manner without imposing an undue hardship on applicants.

It is your Committee's intent that this deadline would apply only to the submission of the initial application for examination. Other requirements, such as the submittal of transcripts and other necessary documents, will be accepted after the application deadline. This will enable students who graduate after the application deadline to be eligible for the first exam given after graduation, even though all of the documentation required with the initial application is not available on the application deadline.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1211 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 547 Consumer Protection and Business Regulation on S.B. No. 1212

The purpose of this bill is to clarify the certification requirements for physician assistants and to make nonsubstantive housekeeping amendments.

Current law does not clearly state that an applicant for State certification as a physician assistant must hold a current certificate from the national certifying entity, the National Commission for the Certification of Physician's Assistants (NCCPA). The proposed amendments in this bill will ensure that the applicant has passed the NCCPA examination and has met the NCCPA criteria for biennial recertification, which includes a program of continuing education and a recertification examination every six years.

Your Committee has amended this bill by making several technical, nonsubstantive amendments for purposes of clarity, and to conform to recommended drafting style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1212, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 548 Consumer Protection and Business Regulation on S.B. No. 1316

The purpose of this bill is to require all insurers to maintain a complete local claims office in the State or engage an independent claims adjusting service as their claims agent in the State to process claims for workers' compensation by January 1, 1992.

Currently, insurance carriers and self-insured employers are not required by law to maintain local offices with draft authority, and therefore, the Department of Labor and Industrial Relations has experienced difficulties in enforcing timely payment of workers' compensation claims by out-of-state insurers.

Your Committee finds that this bill will make the claims process more efficient and help ensure that eligible claimants receive their workers' compensation benefits on a timely basis.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1316, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 549 Consumer Protection and Business Regulation on S.B. No. 1317

The purpose of this bill is to require all insurers to maintain a complete local claims service office in the State or engage an independent claims adjusting service as their claims agent in the State to process claims for temporary disability insurance (TDI) by January 1, 1992.

Currently, insurance carriers and self-insured employers are not required by law to maintain local offices with draft authority, and therefore, the Department of Labor and Industrial Relations has experienced difficulties in enforcing timely payment of TDI benefits by out-of-state insurers.

Your Committee finds that this bill will make the claims process more efficient and help ensure that eligible claimants receive their TDI benefits on a timely basis.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1317, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 550 Consumer Protection and Business Regulation on S.B. No. 1628

The purpose of this bill is to specify the form to be used by pest control operators for their written inspection reports as Form PC-9, and to delete the provision requiring a written inspection report prior to the commencement of work on a contract for the control of termites.

Your Committee has amended this bill by restoring the requirement that a written inspection report be provided to and approved by the person requiring the termite control work, and by requiring the written inspection report to be on a PC-9 form prescribed by the Pest Control Board. Your Committee finds that the amendment will help ensure the protection of both the pest control operator and the consumer. Your Committee has made technical, nonsubstantive amendments for style and clarity.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1628, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 551 Consumer Protection and Business Regulation on S.B. No. 1649

The purpose of this bill is to increase the minimum experience requirements for licensed electricians.

Specifically, this bill amends Section 448E-5, Hawaii Revised Statutes, by increasing the minimum qualifications for:

- (1) Journeyman electricians from four years of experience but not less than 8,000 hours as an apprentice electrician to five years but not less than 10,000 hours; and
- (2) Supervising electricians from two years of experience in the trade to four years.

In addition, this bill provides a definition for an apprentice electrician.

Your Committee finds that present experience requirements for licensed electricians appear to be inadequate, given the increasing complexity and sophistication of current technology related to the electrical industry. Further, your Committee finds that this measure is consistent with national industry standards and will raise the quality of skill and workmanship of the electrical industry.

Your Committee has amended this bill by: (1) deleting the definition of "apprentice electrician," (2) clarifying that the 10,000 hours of experience required by journeyman electricians should be under the supervision of a journeyman or supervising electrician, and (3) changing the effective date of this measure to January 1, 1992.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1649, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 552 Consumer Protection and Business Regulation on S.B. No. 1757

The purpose of this bill is to establish the Independent Motor Fuel Supply Act, which prohibits retailing by oil refiners under certain circumstances after July 1, 1992.

Specifically, this bill prohibits refiners from engaging in the direct operation of retail service stations or motor fuel sales outlets of any nature, including any major brand, secondary brand or unbranded retail service station, or otherwise sell motor fuel at retail.

Your Committee has amended this bill by prohibiting retailing by oil refiners after July 1, 1991.

Your Committee has also made several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1757, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Crozier.

SCRep. 553 Consumer Protection and Business Regulation on S.B. No. 1861

The purpose of this bill is to amend the motor vehicle insurance law to allow an insurer and named insured to exclude any driver from coverage as the operator of an insured vehicle, and requires that the names of excluded persons be set forth in the insurance policy or an endorsement signed by both parties.

Under the current law, the definition of no-fault insureds includes a spouse or other relative who lives in the same household with the named insured, and who is not named as an insured in any other no-fault policy. A person is deemed to reside in the same household if the person usually makes the person's home in the same family unit, even though the person temporarily lives elsewhere.

Given this current definition of no-fault insureds, an adult child living at home with a parent would be covered under the parent's no-fault policy if the child had no policy of his or her own. If the child has a bad driving record and is unable to afford his or her own no-fault insurance, the law provides for coverage of the adult child by his or her parent's policy. Due to the increased risk of loss placed on the insurer, however, the parents' policy could be surcharged to reflect the possibility that the child could obtain access to the insured's vehicle and may be involved in an accident while operating the vehicle.

Even if the parent does not want coverage for the child under the parent's policy, the law currently does not permit an insured to exclude any household members. Consequently, the parent may be required to pay a substantial surcharge as long as the child is considered to be a household member with potential access to the insured vehicle.

Your Committee has amended this bill to permit an insurer to exclude a specific person from coverage when a motor vehicle is operated or used by the excluded person, whether or not the excluded person subsequently operates the insured vehicle with the express or implied permission of the insured person, in lieu of cancellation, nonrenewal, or premium increase of a policy. Since no coverage of any type will be available if the excluded person is involved in an accident while operating the insured's vehicle, the premiums charged on the policy will not reflect the claim experience or the driving record of the excluded driver. Therefore, no surcharge can be imposed solely because of the excluded driver's record.

Your Committee recognizes the serious problems that can arise from the use of named driver exclusions. For example, a family member who would normally be covered if the insured was driving would not be covered if the excluded driver was operating the vehicle and got into an accident. Therefore, the bill has been further amended to require the endorsement to contain a disclaimer notifying the policyholder that there may be serious gaps in coverage if an excluded driver continues to operate the insured vehicle.

Finally, this bill has been amended to change the effective date to January 1, 1992.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1861, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 554 Consumer Protection and Business Regulation on S.B. No. 2007

The purpose of this bill is to provide criteria for the certification of water treatment devices, and prohibit the false advertisement of such devices.

The problems of water filtration device sales are well recognized by federal and State agencies, as well as consumer groups. Your Committee believes that protection against false or misleading advertising of water treatment devices is necessary and in the best interests of the consuming public.

Your Committee has amended this bill deleting its substance and inserting material proposed by the Office of Consumer Protection that will provide a stricter and more effective means for raising the integrity of home water filtration device sales and ensuring protection of the consumer.

Specifically, the bill would establish the Hawaii Water Treatment Units Act, which prohibits the sale, lease, distribution, or installation of water treatment units unless the unit has been tested using industry or federally accepted product testing standards. The bill would further require every unit to be accompanied by written material stating manufacturer information, specifications of the unit, installation instruction, and other important consumer information. Additionally, this bill prohibits unlawful advertising of water treatment units, provides additional requirements for door-to-door sales and exchange policies.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2007, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Chang.

SCRep. 555 Consumer Protection and Business Regulation on S.B. No. 2144

The purpose of this bill is to expand Chapter 486M, Hawaii Revised Statutes, relating to metal and gem dealers to include pawnbrokers and secondhand dealers.

Your Committee has amended this bill by expanding the definition of "article" to include precious metals, semiprecious metals, precious gems or semiprecious gems.

In addition, your Committee has made several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 2144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2144, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 556 Consumer Protection and Business Regulation on S.B. No. 2008

The purpose of this bill is to permit trust companies that are not affiliated with a bank or bank holding company to engage in the sale of insurance and securities through affiliated corporations.

Your Committee has amended this bill by:

- (1) Including additional requirements for a trust company to engage in the insurance business, by providing that:
 - (a) Assets and liabilities associated with the trust company must be kept completely separate and not intermingled with the assets and liabilities of any insurance operations; and
 - (b) It shall be illegal for a trust company to require a client to buy any insurance as a condition of doing business with the trust company;
- (2) Mandating the imposition of an administrative fine by the Commissioner for any violation; and
- (3) Allowing the commissioner to approve an application for acquisition or merger provided that a trust company which is not a subsidiary or affiliate of an institution whose deposits are federally insured shall not be acquired or merged unless an insurance or securities corporation has been voluntarily divested prior to the proposed acquisition or sale.

The financial services industry has expanded tremendously over the last few years. Your Committee finds that this bill contains necessary safeguards to ensure that clients of a trust company are not adversely affected by the sale of insurance or securities through affiliates, and will allow independent trust companies to offer an expanded combination of products and services that will provide for a more diversified and stronger financial system in Hawaii.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 2008, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2008, S.D. 2.

Signed by all members of the Committee.

SCRep. 557 (Joint) Consumer Protection and Business Regulation and Housing and Hawaiian Programs on S.B. No. 2086

The purpose of this bill is to clarify and strengthen the laws relating to residential leasehold disclosure.

Specifically, this bill seeks to:

- (1) Provide a civil penalty for failure to comply with leasehold disclosure requirements;
- (2) Require the seller of a residential leasehold apartment to provide a copy of the original recorded lease and any amendments thereto to the buyer for approval and acceptance no later than ten calendar days after the acceptance of the deposit, receipt, offer, and acceptance contract (DROA) or other similar contract;
- (3) Exclude the transfer of lease to a co-owner, spouse, parent or child of the seller, or any transfer by devise, descent, court order, or by operation of law, including any transfer by foreclosure, bankruptcy, or partition of sale from disclosure requirements; and
- (4) Allow for the waiver of disclosure requirements by a buyer who is not intending to occupy the property as a principal place of residence.

Your Committees have amended this bill by deleting the waiver of disclosure requirements for any property where the buyer is not intending to use the property as the buyer's principal place of residence. Your Committees concur with the testimony of the Housing Finance Development Corporation that all consumers should be educated on the leasehold they are considering purchasing, regardless of whether or not they will be owner-occupants.

Your Committees have also made several technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committees on Consumer Protection and Business Regulation and Housing and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 2086, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2086, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senator McMurdo.

SCRep. 558 Judiciary on S.B. No. 63

The purpose of this bill is to make it a class C felony for a person to intentionally enter, with the intent to commit a crime, and unlawfully remain on the premises of a facility used as a sex, child or spouse abuse shelter by a family or household member without the facility's consent.

The bill also makes it a misdemeanor for a person to intentionally enter and unlawfully remain on the premises of such a facility without the facility's consent.

Your Committee received testimony in support of the bill from the Hawaii State Coalition Against Sexual Assault and Child and Family Service, which stated that the bill is necessary to protect both the abused victims and staff members of abuse shelters from harassment or injury.

The Office of the Public Defender expressed the following concerns: (1) that the first provision, coupling unlawful entry with the intent to commit a crime, may have the unintended effect of reducing the penalty, for an offense which may be prosecuted as a burglary, from a class B to a class C felony; (2) that the bill should be amended to authorize consent by either the resident or the staff; and (3) that the bill fails to provide for prior warning or notice to the offender not to enter or remain on the premises, thereby creating an anomaly in the context of existing burglary and trespass laws.

Your Committee amended the bill by:

- (1) Striking the provision pertaining to the class C felony offense because it is not the intent of the bill to make the penalty less severe than existing law.
- (2) Replacing the consent provision with a notice provision to clarify who has authority over who can enter and stay in the facility, as well as to address the concern regarding notice. Your Committee finds that the facility staff should have authority to control who enters the facility. It would be disruptive and contrary to the purpose of the facility to permit residents to invite in other members of the household, especially the abuser, without the consent of the facility.
- (3) Separating entering and remaining on the premises by substituting "or" for "and", so that even if a person enters legally, that person cannot remain if requested to leave.
- (4) Deleting the "family or household member" limit because any attempt to limit the application of this bill risks being underinclusive. For example, the bill did not encompass a person who previously cohabitated with but never married a shelter resident. Your Committee feels that the intent of the bill is better served if the penalty is applied in all cases where there is a warning or a request to leave.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 63, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 63, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 559 Judiciary on S.B. No. 600

The purpose of this bill is to amend the procedures for obtaining access to confidential adoption records through the Family Court by clarifying procedures, extending certain time deadlines, and correcting inconsistent language. More specifically, this bill:

- (1) Extends the deadline to process applications from thirty to sixty days.
- (2) Changes the time period to conduct a search for the natural parents from a mandatory 120 days to a discretionary 180 days.
- (3) Provides that personal contact is preferable but not required.
- (4) Provides that notice be sent by certified mail as opposed to the more expensive method of registered mail.
- (5) Clarifies that an affidavit requesting confidentiality must be received by the Court within sixty days of the date of receipt of notice.
- (6) Deletes language designating the Family Court as the entity responsible for informing natural parents of the requisite procedures for maintaining confidentiality, at the time of placement of the child.
- (7) Clarifies that, for adoptions occurring after January 1, 1991, an adopted child as well as a natural parent may request that his adoption records be kept confidential.
- (8) Defines "natural parent" to include reference not only to biological parents but also to a man who is the child's legal father but who is not also the biological father of the child.
- (9) Makes nonsubstantive technical amendments for purposes of clarity and style.

The Judiciary testified in favor of the bill, which addressed some implementation concerns of the Family Court. The Adoption Circle also testified in support of the bill, but was concerned that the proposed change to the search period from a mandatory 120 days to a discretionary 180 days made the waiting period for the person requesting access too open-ended.

Your Committee amended the bill by limiting the search for a natural parent to 180 days and by changing the definition of "natural parent" to make it gender neutral.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 600, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 560 Judiciary on S.B. No. 813

The purpose of this bill is to limit the liability of an individual who volunteers his or her services as an organizer, manager, coach, instructor, umpire, referee, official, judge or linesman of a nonprofit sport association.

Your Committee received testimony in support of the bill from the Hawaii Football Officials Association and the Wai-Kahala Athletic Club Pony Baseball League. Proponents testified that the bill is necessary to maintain the number of volunteer sports officials needed to support the thousands of children who are engaged in athletics.

The Hawaii Academy of Plaintiff Attorneys expressed concern that there were no statistics or other evidence to support the need to limit the liability of sports officials and that further information is needed on the extent of the problem, if any, before changing the law. The Association stated that the problem presently faced by sports organizations is not the fear of lawsuits, since lawsuits in this area are few, but the inability to afford the high cost of insurance. Raising the standard of liability will not insure that insurance rates will drop and may even be detrimental to those minors whom our community are trying to support.

Although your Committee recognizes the need to encourage volunteers to support Hawaii's athletic programs and children, there were no statistics provided to your Committee showing that limiting the liability of volunteer sports officials will result in real benefits to the community, such as reduction in liability insurance costs. This is the same concern that your Committee has with bills seeking to extend or repeal the sunset date of the Tort Reform Act of 1986.

Your Committee therefore amended the bill to include a repeal date of October 1, 1993 -- the same date as provided in S.B. No. 1529 pertaining to the 1986 Tort Reform Act -- to provide for a review period during which to evaluate the effect of this bill, if enacted.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 813, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. 813, S.D. 2.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 561 Judiciary on S.B. No. 1262

The purpose of this bill is to implement the periodic child support review and modification requirements of the Family Support Act of 1988 (Public Law 100-485).

The bill adds periodic review and modification to the duties of the Child Support Enforcement Agency within the Department of Attorney General. It also makes technical amendments to Chapter 576E, Hawaii Revised Statutes, to permit the Agency to use its administrative process for these modifications, rather than going to court.

The Family Support Act of 1988 requires state child support enforcement agencies to periodically review child support orders and modify them, if appropriate. Federal funding for Hawaii's Aid to Families with Dependent Children Program and the Child Support Enforcement Program requires compliance with the Family Support Act of 1988, and the bill provides the legal mechanism to do so.

Your Committee received testimony in support of the bill from the Department of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1262, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 562 Judiciary on S.B. No. 1268

The purpose of this bill is to amend provisions of the Hawaii Omnibus Criminal Forfeiture Act to add to the offenses which give rise to forfeiture and to clarify and streamline procedures. More specifically, the bill:

- (1) Adds to the list of offenses which give rise to forfeiture;
- (2) Clarifies the manner of giving notice in forfeiture proceedings;
- (3) Requires that forfeiture proceedings be initiated within a specified period;
- (4) Permits the prosecutor to forego forfeiture proceedings on a subject property without losing the right to initiate them at a later date;
- (5) Exempts the prosecutor from paying a filing fee when filing a list pendens on real property;
- (6) Clarifies the procedures for processing administrative forfeitures, including specification of the procedure for filing and disposition of petitions for remission or mitigation of forfeiture;
- (7) Provides that defects in filing of claim against forfeiture will not toll the time within which a claim must be filed;
- (8) Clarifies the manner in which claimants in administrative forfeiture proceedings must swear to the truth of their filings;
- (9) Clarifies procedures seeking judicial review of the administrative seizure and forfeiture;
- (10) Establishes a rebuttable presumption that property acquired at the time of commission of a covered offense constitutes proceeds of the offense where the owner has no legitimate source of income;
- (11) Provides that an acquittal or dismissal in a criminal proceeding is not a bar to the forfeiture proceedings; and
- (12) Permits the court to stay civil forfeiture proceedings where there is an ongoing criminal proceeding arising from the same action.

Your Committee received testimony in support of the bill from the Department of the Attorney General and the Honolulu Police Department.

The primary purpose of the bill was to provide for the seizure of weapons often used in the designated offenses. According to the Department of the Attorney General, there is usually no way to forfeit weapons used in violent offenses, and police find themselves confronted with the anomaly of having to return weapons to offenders. This bill added violent offenses within the Omnibus Criminal Forfeiture Act to rectify this situation. Amendments were further added in an attempt to clarify procedural provisions within Act.

However, due to the number of unresolved issues pertaining to the procedural provisions of the Act, your Committee stripped the bill of all amendments pertaining to the procedural provisions, and in their stead, submitted a simple amendment for the seizure of weapons.

Your Committee will continue to review the issues raised by the bill, so that the deletions may be reconsidered in conference committee should the House amend the bill by replacing those deleted sections.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1268, S.D. 1, and be placed on the calendar for Third Reading

Signed by all members of the Committee except Senator McMurdo.

SCRep. 563 Judiciary on S.B. No. 1269

The purpose of this bill is to require a court to revoke the driver's license of any person convicted of a crime involving the death of another, when the death results from the person's operation of a motor vehicle. The bill also establishes procedures which would allow the person whose license was revoked to petition the court for permission to apply for a new drivers' license, however, persons convicted of murder or attempted murder in the first degree would be precluded from petitioning the court for re-licensing.

Your Committee received supporting testimony from the Department of Transportation, the Attorney General, the Prosecutor's Office, the Police Department of the City and County of Honolulu, and the counties of Hawaii, Kauai, and Maui.

Your Committee finds that this bill is consistent with current law which mandates that the courts revoke the licenses of those convicted of vehicular manslaughter.

Your Committee has amended this bill by deleting "denied" and substituting "filed" on page 2, line 11 so that the time used in considering the petition is not added to the one year.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1269, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. 1269, S.D. 2.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 564 (Majority) Judiciary on S.B. No. 1356

The purpose of this bill is to restrict accessibility of cigarettes to children by banning cigarette vending machines in all places except where children are prohibited from entering.

Your Committee received testimony in support of this bill from the Department of Health, Hawaii Medical Association, Tri-Agency Coalition, Hawaii Thoracic Society, Hawaii Chapter of American Academy of Pediatrics, American Heart Association-Hawaii Affiliate, the Interagency Coalition on Smoking and Health, Coalition for a Drug-Free Hawaii, Hawaii Public Health Association and several private individuals.

Your Committee amended this bill to correct typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1356, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.
Senators Cobb and Crozier did not concur.

SCRep. 565 Judiciary on S.B. No. 1543

The purpose of this bill is to define cable television access organization for any cable franchise established under Chapter 440G, Hawaii Revised Statutes and exempt these organizations from liability arising from programs not created by the access organization that are broadcast on cable television.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs, 'Olelo: The Corporation for Community Television, and individuals involved in community programming.

Your Committee amended the bill to clarify that the immunity provided is intended to cover only those organizations designated by the State Director of Commerce and Consumer Affairs to perform access management activities. The amendment will insure that the definition of "access organization" is not broadly interpreted to include non-profit organizations which simply produce or provide programming carried on access channels.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1543, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1543, S.D. 2.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 566 Judiciary on S.B. No. 1845

The purpose of this bill is to create additional felony offenses for smuggling illegal drugs into Hawaii and interisland within the State.

Under the bill, a person commits a class A felony if the person intentionally smuggles in or out of the State or between islands certain illegal drugs in an amount the possession of which would constitute a felony under state law. A person commits a class B felony if the person intentionally smuggles lesser amounts.

Your Committee received testimony in support of the bill from the Attorney General, county prosecutors, and county police chiefs. These proponents testified that, because most illegal substances, such as heroin, cocaine and crystal methamphetamine comes from outside the state, a new law which specifically prohibits the transportation of drugs will help to stem the flow of drugs in and out of our community. Since Hawaii does not have laws specifically for transporting drugs, those offenders are usually charged with possession or distribution under state law or turned over to federal authorities.

According to the Department of the Attorney General, the bill will address a major problem faced by law enforcement. The bill will permit the State to more effectively prosecute the cases involving the transporting of drugs over which the federal authorities waive jurisdiction, thereby turning the cases over to local authorities to be prosecuted under State law. These cases include, not only cases involving the personal transporting of drugs but also those cases involving drugs that enter the State or are transported between the islands by parcel service that local authorities are unable to prosecute under Hawaii's possession or distribution laws.

Concerns were expressed that: (1) the bill is overbroad in that Hawaii's public policy has been to classify distribution and dealing of drugs more harshly than mere possession, and yet the person transporting any amount, no matter how small, can be charged with a felony offense under the bill; and (2) if all of Hawaii's current resources were spent on prosecuting persons with small amounts of drugs, that there will be insufficient resources to deal with the big distributors and dealers.

Your Committee amended the bill to delete the class B offense. Your Committee feels that the bill, as amended, will focus our resources on the more serious drug offenders, thereby addressing the expressed concerns.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1845, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 567 Judiciary on S.B. No. 2006

The purpose of this bill is to provide protection to the counties from liability for negligent acts allegedly committed by county lifeguards while providing lifeguard services at State beach parks.

The bill amends the definition of "employees of the State" in the State Tort Liability Act to include county lifeguards designated to provide services at designated state beach parks under an agreement between the State and a county. The counties will still remain potentially liable for negligently hiring and training, but the State will be the governmental entity at risk for negligent lifeguard services. The bill also allows the Attorney General to defend a county, if he so chooses, in any lawsuit in which a county is sued based upon alleged negligence in providing lifeguard services.

Your Committee received testimony in support of this bill from the Attorney General, the Department of Land and Natural Resources, the Department of Health, The Governor's Conference on Health Promotion and Disease Prevention, Honolulu Department of Parks and Recreation, the Kauai Office of the Mayor, and the Kauai Water Safety Task Force.

Your Committee finds that the bill is an important inducement to the counties to provided the lifeguard services necessary to prevent and reduce injuries at our State beach parks.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 2006, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 568 Consumer Protection and Business Regulations on S.B. No. 390

The purpose of this bill is to extend the repeal date for sunset reviews of travel agencies from December 31, 1991 to December 31, 1997.

The Legislative Auditor's December 1990 report entitled, "Sunset Evaluation Update: Travel Agencies," stated that there is a reasonable need to regulate travel agencies in order to protect the public. The Department of Commerce and Consumer Affairs deals with numerous complaints each year involving travel agencies. In addition, the Legislative Auditor concluded that the recovery fund does not adequately protect the consumer and does not ensure the financial solvency of travel agency businesses.

Your Committee has amended this bill by deleting its substance and inserting substantive material patterned after similar laws in California and Illinois. Your Committee believes that these amendments will balance the need to regulate travel agency businesses and provide for the protection of the consumer.

Specifically, the bill has been amended by:

- (1) Repealing the current travel agency law, except for the sections relating to the recovery fund;
- (2) Requiring the immediate placement of all consumer funds in a client trust account with only limited rights to withdraw those funds, other than to pay for travel services involved;
- (3) Requiring consumers to receive certain information and disclosures at the time of purchase;
- (4) Providing a set of consumer rights, and giving consumers the right to recover damages and costs;
- (5) Phasing out the travel agency recovery fund; and
- (6) Providing an education program to inform travel agencies and the public about the new law.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 390, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 569 Consumer Protection and Business Regulation on S.B. No. 1156

The purpose of this bill is to amend the laws relating to motor vehicle insurance in order to eliminate ninety percent of auto injury claims from the tort system.

This measure requires health care providers to follow medical fee schedules when charging for services required as a result of a motor vehicle accident. In addition, this bill provides for the elimination of multiple stacking of uninsured and underinsured benefits, provides a threshold for recovery of general damages, modifies the statute of limitations and award of attorneys' fees, and provides for a mandatory insurance rate reduction, in order to provide for a fairer and more equitable motor vehicle tort system, thereby resulting in significant savings to all motor vehicle insurance policy holders.

Your Committee finds that the abuse of the current no-fault insurance system has led to extremely high insurance rates, and in many cases, has made it unaffordable for the average consumer. Your Committee believes that if no-fault insurance is to be required by law, the State has an obligation to ensure that such insurance remains reasonable and affordable.

Therefore, your Committee has amended this bill by providing for a mandatory reduction of fifteen per cent of the total premium charged by any authorized motor vehicle insurer, which will be applied to rates in effect as of December 31, 1989. The measure has also been amended to prohibit any further rate increases until January 1, 1994, unless the rate structure jeopardizes the solvency of the insurer, and then only with the prior approval of the Insurance Commissioner. Finally, the bill was further amended to mandate the Insurance Commissioner to render a decision on requested rate increases within sixty days of the request, or the rate will automatically go into effect. However, this rate may be rolled back upon completion of the Insurance Commissioner's findings.

In making these changes, your Committee emphasizes that it is not making any judgment regarding the substance of the bill and the issue of insurance reform. Your Committee is aware that major reform will substantially limit benefits to the policyholder, and as noted by the Insurance Commissioner, in order for any kind of rate reduction to occur, benefits must be sacrificed.

Your Committee finds that this bill, if enacted, will definitely reduce benefits to the insured. Your Committee is concerned, however, that a reduction in the rates charged is not proportionate to the reduction in benefits, for example, a fifteen percent reduction in certain coverages, such as bodily injury liability, uninsured and underinsured motorist protection, and personal injury protection, does not equate to what has been termed a "substantial" increase in savings to the policyholder. Estimates by the Insurance Commissioner indicate that a fifteen percent reduction would amount to an approximate seven percent savings in the overall cost of the premium.

Your Committee is also concerned that the results of the closed claim study are questionable. Data provided is not definitive and there is no actuarial study to justify a fifteen percent rate reduction. Insurance companies continue to make claims that they are losing money, but are willing to accept a seven percent overall reduction in rates.

Despite deep concerns regarding certain parts of this measure, your Committee is willing to accept it in its entirety, provided that a "substantial" reduction in premium rates is also forthcoming. Because of the lack of pertinent information, your Committee believes that a fifteen percent reduction in rates charged as well as a freeze on this rate reduction until 1994 is reasonable and in the best interests of all concerned.

Because of the lack of conclusive evidence and unanswered questions that still need to be addressed, your Committee believes that continued discussion and further review of this important issue and the closed claim study are warranted and prudent.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1156, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 570 Consumer Protection and Business Regulation on S.B. No. 1204

The purpose of this bill is to amend the laws relating to the regulation of long term care insurance.

Specifically, this bill:

- (1) Requires insurers to provide a policy summary for each individual life insurance policy providing long term care benefits;
- (2) Requires insurers to provide a monthly report to policyholders once payments have commenced under a life insurance policy;
- (3) Repeals the use of prior hospitalization or prior institutionalization as a requirement for a long term care policy;
- (4) Establishes prohibited practices and requires disclosure of certain requirements;
- (5) Allows an association, trust, or fund to maintain group long term care benefits for their members, and establishes requirements;
- (6) Amends the definition of long term care insurance, and prohibits policies from providing coverage for skilled nursing care only, or providing significantly more coverage for skilled nursing care in a facility than coverage for lower levels of care;

- (7) Provides a uniform six month limitation period for preexisting conditions, with no distinction based on age;
- (8) Requires delivery of an outline of coverage to a prospective applicant for long term care insurance when the initial solicitation is made;
- (9) Changes the requirements for contents of the outline of coverage; and
- (10) Allows the insurance commissioner to establish minimum standards for marketing practices, compensation arrangements, and reporting practices for long term care insurance.

The amendments proposed in this measure reflect the most recent amendments made to the National Association of Insurance Commissioners (NAIC) model long term care insurance law, which served as the model for Hawaii's long term care law as originally enacted in 1987. Your Committee finds that the market for long term care insurance is increasing dramatically, and the types of long term care products and services available are increasing just as rapidly. This bill updates the current long term care law to promote the availability of long term care insurance coverage, and protects consumers by setting policy standards and providing coverage comparisons.

Your Committee has amended by making several technical, nonsubstantive amendments for purposes of style and clarity, and to conform to recommended drafting style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1204, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 571 Employment and Public Institutions on S.B. No. 952

The purpose of this bill is to amend the laws of the State relating to public safety.

Your Committee has amended this bill by deleting the substance and adding a provision which will enable the State to upgrade and renovate the Women's Community Correctional Center and build a new Hawaii Youth Correctional Facility.

In 1985 the State entered into a consent decree with the American Civil Liberties Union (ACLU) to improve conditions at the Oahu Community Correctional Center and the Women's Community Correctional Center. Although the State has substantially complied with the former, monitors appointed by the U.S. District Court indicate that the State will be unable to comply with the consent decree requirements relating to the WCCC because of its inadequate and deteriorated physical plant. In response, the Department of Public Safety developed plans to rebuild the WCCC at its existing site in Kailua and money was appropriated for that purpose in the 1989 Executive Budget.

Unfortunately, the State's good faith efforts to renovate the WCCC have been delayed by the Honolulu Planning Commission's denial of a special use permit to allow rebuilding of the facility on Mt. Olomana. Any legal challenge of this denial will cause additional delays which are unacceptable to the ACLU and court monitors; in fact, the ACLU has served notice that it will petition the U.S. District Court for relief, perhaps closing the WCCC, unless the State can provide a firm plan for construction.

The State's only feasible alternative is to relocate the existing Women's Facility across Kalaniana'ole Highway to the site of the present Hawaii Youth Correctional Facility, and construct a new but smaller Youth Correctional Facility on the old WCCC grounds. This plan will require renovation of existing structures and new construction at both sites; however, obtaining approvals for planning and land use reclassification will be too time-consuming to satisfy the ACLU and the court monitors. Completing the project as expeditiously as possible is a matter of compelling public interest, and if extraordinary measures are required, they must be taken.

This bill will enable relocation of the WCCC and reconstruction of the Youth Correctional Facility by superseding any law which would normally require the Department of Public Safety or the Office of Youth Services to obtain state or county approvals, permits, or licenses, including planning and land use classifications relating to construction, improvements, use, reconstruction, renovation, replacement, enlargement, or relocation of buildings, facilities, and land used for correctional purposes, provided that such exemptions are limited to land owned by the State of Hawaii presently located in Kailua, Hawaii, or specifically set aside for correctional purposes by Executive Order or other legal device prior to the effective date of this bill.

This bill also provides that no new construction or development, for correctional purposes or otherwise, may be initiated at the Kailua sites after December 31, 1994 without prior legislative approval.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 952, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 572 Employment and Public Institutions on S.B. No. 1089

The purpose of this bill is to exempt on-duty sheriffs and deputy sheriffs from parking meter and time parking restrictions.

The Sheriff's Office is responsible for execution of warrants, transportation of prisoners, security of public facilities, and court appearances. The Sheriff's Office is also called upon to perform evictions in areas where parking is critically important and scarce; similarly, warrants and other court orders are often served in condominiums and other locations where the only available on-street parking is metered. This bill will enable the Sheriff's Office to carry out its duties more efficiently and effectively.

Your Committee has amended this bill by clarifying that the exemption applies only to municipal parking.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1089, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 573 Employment and Public Institutions on S.B. No. 1449

The purpose of this bill is to restructure the Board of Trustees of the Employees' Retirement System to more accurately reflect the System's membership.

Currently, the Board - which has fiduciary responsibility over the System's assets - consists of the Director of Finance as an ex officio member, two general employees, one teacher, and three representatives from the private sector, including a banker.

This bill would increase the Board membership to nine, retaining the Director of Finance as an ex officio member. Four members would be selected from among the public sector collective bargaining units, one of whom may be an excluded employee, and four would be citizens from the private sector appointed by the Governor with the advice and consent of the Senate. Of these, one would be a banker, one would be a public sector retiree, and two would be subject to no specific qualifications.

Your Committee finds that the composition of the Board of Trustees of the Employees' Retirement System should reflect the System's constituency as closely as possible. Accordingly, this bill increases representation from the public sector and includes a retiree to represent the beneficiaries for whom the System was originally established.

Upon further consideration, your Committee has amended this bill to provide for the following membership:

- (1) The Director of Finance;
- (2) Two general employees and one teacher elected by members of the System;
- (3) Four citizens from the private sector, one of whom shall be a banker;
- (4) One "employee trustee" appointed by the Governor with the advice and consent of the Senate from a list submitted by the exclusive representative of bargaining units (2), (3), (4), (6), (8), (9), and (13);
- (5) One "employee trustee" nominated by the exclusive representatives of bargaining units (1), (10), (11), and (12) and appointed by the Governor with the advice and consent of the Senate; and
- (6) One "retiree trustee" to be appointed by the Governor with the advice and consent of the Senate.

The new private sector member shall serve for four years; the employee trustee nominated from bargaining unit (2), (3), (4), (6), (8), (9), or (13) shall serve for six years; the employee trustee nominated from bargaining unit (1), (10), (11), or (12) shall serve for five years; and the retiree trustee shall serve for three years.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1449, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 574 Agriculture and Environmental Protection on S.B. No. 1279

The purpose of this bill is to:

- (1) Clarify that it is unlawful for any person to sell undersized fish;
- (2) Allow for the sale of pond-raised mullet during the closed season;
- (3) Allow commercial marine dealers to sell and restaurants to serve Kona crabs or lobsters lawfully caught during the open season;
- (4) Change the open season on Kona crabs to include half of May; and
- (5) Prohibit the taking of any rock to which marine life is visibly attached or affixed except by permit.

Your Committee has amended this bill to clarify the type of fish for which minimum sizes for possession have been established by specifying the Latin names when there might otherwise be confusion.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1279, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 575 Consumer Protection and Business Regulation on S.B. No. 1329

The purpose of this bill is to enact a petroleum industry information reporting act modeled after the California Petroleum Industry Information Reporting Act of 1980.

Presently, there is no formalized mechanism through which oil industry data is reported by the industry to the State, nor is there any centralized core of oil industry expertise within State government. Therefore, the State is unable to provide appropriate consumer protection in a timely manner when the need arises.

The Department of the Attorney General is conducting an ongoing investigation of petroleum product pricing in Hawaii. The investigation was launched following the dramatic increase in gasoline prices after the Exxon Valdez oil spill in March 1989. The Department's preliminary report, issued in September 1990, indicated that it had great difficulty collecting needed information. The report stated that, accordingly, legislation should be adopted to require refiners, terminal operators, and other wholesalers of petroleum products to report to the State of Hawaii:

- (1) Raw material costs, production costs, storage costs, and marketing costs;
- (2) Sales revenues and volumes;
- (3) Profits for Hawaii operations; and
- (4) Weekly foreign and domestic imports of petroleum and petroleum products.

This bill will require producers, refiners, marketers, storers, and transporters of oil and oil products to report to the Director of Business, Economic Development, and Tourism, all data relating to the supply and price of petroleum products in Hawaii, and including, without limitation, the data mentioned in the Attorney General's preliminary report. The Director would provide a quarterly analysis and interpretation of the data to the Governor and the Legislature. The Director will also be given rule-making power so that the purpose of the measure can be fully effectuated.

Testimony in support of this bill was received from the Department of the Attorney General, the Department of Business, Economic Development, and Tourism, the East-West Center Energy Program, and the Hawaii Automotive and Retail Gasoline Dealers Association. Testimony was also received from Chevron U.S.A., Inc., and Pacific Resources, Inc.

Your Committee has amended this bill by eliminating a paragraph in the legislative findings (SECTION 1) which mentions the ongoing antitrust investigation into the local oil industry by the Department of the Attorney General. The deletion of this language does not mean that the Department of the Attorney General cannot obtain information reported under this bill, rather, it is to make clear that the reporting of data will be made to the Department of Business, Economic Development, and Tourism. Your Committee has further amended the bill by changing the title of the new chapter to "Petroleum Industry Information Reporting."

Your Committee has further amended the provisions of the bill relating to the protection of confidential information. It is the intention of your Committee that the enactment of the bill not change existing law on when information is confidential and when it is not. If elaboration is needed to effectuate the purposes of the bill, it should be done by means of the Commission's rulemaking authority under the bill and under Chapter 91, HRS.

Your Committee has also made several technical, nonsubstantive amendments for purpose of style and clarity.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 576 Science, Technology and Economic Development on S.B. No. 107

The purpose of this bill is to authorize the Department of Business, Economic Development, and Tourism to establish and administer geothermal energy transmission corridors for the transmission of electrical energy and telecommunications, and for use by electric trains. The bill also provides that the Department of Transportation may establish energy corridors for the transmission of energy generated from sources other than geothermal or hydroelectric energy.

Your Committee heard testimony in support of the bill from Mid-Pacific Geothermal, Inc., Puna Geothermal Venture, and the Estate of James Campbell. Your Committee finds that energy transmission corridors are necessary for the delivery of energy from private energy developers to electric utilities, as private energy developers do not have the power of eminent domain and could face lengthy delays and costs in securing transmission rights-of-way. Further, centralized planning would ensure orderly implementation of energy corridors and efficient use of lands. The Department of Business, Economic Development, and Tourism, while in support of the intent of the bill, had concerns relative to duplicative agency responsibility for the establishment of energy corridors and waiver of geothermal royalties. The Department of Land and Natural Resources raised similar concerns.

Your Committee heard testimony in opposition to the bill from the Initiative Committee Hawaii, the Oahu Rainforest Group, Big Island Rainforest Group, and two private citizens. These parties opposed the assignment of responsibility for energy transmission corridors to the Department of Business, Economic Development, and Tourism, believing that the

Department of Transportation, which is responsible for energy corridors under current law, should continue its role in this area.

Your Committee has amended this bill by substituting the term "energy transmission corridor" for "geothermal energy transmission corridor" in SECTION 1 and by giving the Department of Transportation jurisdiction over these corridors instead of the Department of Business, Economic Development, and Tourism.

Your Committee has also amended the bill by excluding transmission of hydroelectric energy, telecommunications applications, and use by electric trains from the bill.

Your Committee has further amended the bill by deleting all references to Chapter 196, which are no longer appropriate within the context of the bill as amended.

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

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of S.B. No. 107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 107, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 577 (Joint) Consumer Protection and Business Regulation and Employment and Public Institutions on S.B. No. 741

The purpose of this bill is to limit the aggregate amount a person may receive from no-fault motor vehicle insurance and workers' compensation benefits to no more than the person's net monthly earnings if the employer provides both workers' compensation and no-fault benefits.

The current no-fault law allows employees injured while operating an employer-owned motor vehicle to collect wage replacement benefits from both workers' compensation and no-fault insurance. Therefore, many employees are able to receive more wage benefits while on disability status than they do while they are working.

Your Committees find that the current system is unfair to taxpayers and provides no incentive for an employee to return to work. This bill seeks to correct these problems.

Your Committees on Consumer Protection and Business Regulation and Employment and Public Institutions are in accord with the intent and purpose of S.B. No. 741 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 578 Planning, Land and Water Use Management on S.B. No. 1052

The purpose of this bill is to designate the Keehi Industrial Park pursuant to Section 171-132(2), Hawaii Revised Statutes.

The Board of Land and Natural Resources will submit a report to the 1992 Regular Session on the plans and development of the Park.

Your Committee heard supporting testimony by the Keehi Industrial Park Association, an organization comprised of thirty-one small businesses which was formed in 1990 for the express purpose of working towards actualization of an industrial park near Keehi Lagoon. Supporting testimony was also provided by Plas-Tech Ltd. and the Chairperson of the Board of Land and Natural Resources.

Your Committee finds that this bill is consistent with plans for the long-range development of the Honolulu Waterfront and the intent of the Legislature in enacting Part V of Chapter 171.

Your Committee has amended this bill by listing the Tax Map Key Numbers of the parcels which will comprise the Keehi Industrial Park. Your Committee has also deleted Section 2 of the bill and the appropriation in the belief that development of the Park should be done in an orderly manner, beginning with designation of the area.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1052, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 579 Planning, Land and Water Use Management on S.B. No. 1280

The purpose of this bill is to enable enforcement of rules relating to unauthorized use of unencumbered public lands by citation.

Under this bill, any violation of a Department of Land and Natural Resources' rule relating to unencumbered lands would be punishable by a fine up to \$500. Unencumbered lands are defined as those public lands which have not been officially set aside for any purpose and are not encumbered by lease, license, permit, easement, or other Department

document. They include beach and coastal areas, submerged lands, and mountainous nonforest reserve, wildlife, or park areas.

Under current law, punishment for violating Department rules regarding unencumbered lands is decided by the Board of Land and Natural Resources; however, the Board must first issue a cease and desist order prepared in part by the Attorney General's Office and signed by the Chairperson. Because the order may only be given when the violation is actually taking place, by the time it is prepared the violator has often left the premises.

This bill will allow the Department to issue citations on the spot and authorize the courts to prosecute violations as misdemeanors under the Penal Code.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1280 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 580 Planning, Land and Water Use Management on S.B. No. 1282

The purpose of this bill is to clarify that sixty day notices of breach or default of property instruments executed with the Department of Land and Natural Resources refer only to long term leases and patents and not to revocable licenses, agreements, permits, or other short term agreements.

Under the current language of Section 171-20, Hawaii Revised Statutes, in the event of violation of any lease, patent, license, agreement, or other instrument issued pursuant to Chapter 171, the Board of Land and Natural Resources must deliver to the offending party and all holders of security interests in the land a written notice and demand cure or remedy within sixty days of receipt of the notice. This language could be interpreted as applicable to agreements of short duration (usually month-to-month permits) that should be revocable upon thirty days written notice like any other short term agreement.

This bill clarifies the distinction between long term and short term use and occupancy by removing reference to short term agreements from Section 171-20.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1282 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 581 Planning, Land and Water Use Management on S.B. No. 1396

The purpose of this bill is to extend the jurisdiction of the Aloha Tower Development Corporation (ATDC) to include submerged lands in a small rectangular area located makai of Piers 5 and 6 beyond the federal project line in Honolulu Harbor.

H.C.R. No. 158 and S.C.R. No. 96, 1990, authorized the ATDC to lease these submerged lands. Act 86-90, sought to extend the ATDC boundaries to include this area, which will serve for replacement berths for the interisland cruise ship currently berthing at Piers 9, 10, and 11; however, although identical maps accompanied the Concurrent Resolutions and the bill, the language change to Section 206J-3, Hawaii Revised Statutes, did not include the rectangular area makai of Piers 5 and 6. This bill will place the extended boundaries into the statute.

Your Committee finds that the described area must be included within the ATDC boundaries in order to enable construction of additional facilities needed to ensure that mooring of the Constitution and Independence are safe under surge conditions. Your Committee also finds that the proposed extension of Piers 5 and 6 will have no adverse effect on the operations of Honolulu Harbor.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1396, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 582 Planning, Land and Water Use Management on S.B. No. 1399

The purpose of this bill is to permit meteorological, air quality, noise, and other environmental data collection and monitoring facilities in Agricultural Districts.

This bill will enable environmental monitoring to be conducted on low productivity agricultural lands under the same conditions now permitted in the Conservation Districts. Monitoring would be environmentally benign, non-polluting, and temporary, and would provide useful data on ambient environmental conditions in many areas of the State for which such data is not currently available.

Your Committee finds that this measure is compatible with the Hawaii Environmental Policy Guidelines, Section 344-4(4)(A), Hawaii Revised Statutes, which fosters establishment, preservation, and maintenance of open space for scientific uses.

Your Committee has amended this bill by specifying that the meteorological, air quality, and noise data collection and monitoring facilities will occupy less than one-half acre of land and that such facilities shall not be used as or equipped for use as living quarters or dwellings.

Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and conformance with recommended drafting style

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1399, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 583 Ways and Means on S.B. No. 339

The purpose of this bill is to amend the definition of "qualified tenant" in the rent supplement program to permit persons receiving federal supplemental security income to receive rent supplements. The bill also appropriates \$300,000 for fiscal year 1991-1992 to meet the cost of the expanded rent supplement program.

Testimony in support of this bill indicated that this bill will assist many elderly and disabled persons who are now severely limited in their residential alternatives due to their fixed income status. Your Committee agrees that the rent supplement program should be expanded to include such individuals who are greatly impacted by the State's housing shortage.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 339 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 584 Ways and Means on S.B. No. 356

The purpose of this bill is to appropriate \$184,000 to the department of health to provide funding to The House, Inc., to implement the Housing Assistance Project.

Your Committee finds that there is a need to assist patients who are mentally ill in making their transition to independent living quarters. The House, Inc., has been successful in maintaining a continuum of housing for the mentally ill. Presently, there are two homes with fifteen patients under contract with the mental health division of the department of health. This bill provides the funds to enable The House, Inc., to expand its capacity to house and assist patients who are mentally ill.

Your Committee has amended this bill by deleting the sum to be appropriated for the 1991-1993 fiscal biennium. Until the funding necessary to support the program can be ascertained precisely, your Committee finds that the amount should remain unspecified.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 356, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 356, S.D. 1.

Signed by all members of the Committee.

SCRep. 585 Ways and Means on S.B. No. 1093

The purpose of this bill is to allow taxpayers with adjusted gross incomes of less than \$35,000 and who have paid more than \$1,000 in rent during the taxable year to claim an income tax credit of \$100 multiplied by the number of qualified exemptions to which the taxpayers are entitled.

Originally, the renter income tax credit was designed to offset both the property tax and the general excise tax imposed on rental income and to mitigate any of the tax burden passed on to renters. Your Committee finds that the most appropriate means of providing relief is by increasing the availability of the renter's credit rather than increasing the actual amount of the credit. Accordingly, your Committee has amended this bill by changing the amount of the tax credit back to \$50.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1093, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1093, S.D. 1.

Signed by all members of the Committee.

SCRep. 586 Ways and Means on S.B. No. 1246

The purpose of this bill is to authorize the housing finance and development corporation to issue revenue bonds in an amount not to exceed \$1,275,000,000, to maintain the housing loan programs under subpart B of part II of chapter 201E, Hawaii Revised Statutes.

Your Committee finds that this bill will permit the housing finance and development corporation to provide greater financial support to the "Hula Mae" single family mortgage purchase program. Since its inception, this program has provided valuable assistance to low and moderate income families to acquire their first homes.

Your Committee has amended this bill by making several technical amendments for purposes of clarity and to correct an error in drafting.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1246, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1246, S.D. 1.

Signed by all members of the Committee.

SCRep. 587 Ways and Means on S.B. No. 1252

The purpose of this bill is to authorize the issuance of revenue bonds in an amount not to exceed \$375,000,000, for the purpose of financing and refinancing any rental housing project developed or acquired by the housing finance and development corporation under chapter 201E, Hawaii Revised Statutes.

Your Committee finds that the amount of revenue bonds currently authorized is grossly inadequate to serve the needs of rental housing projects under the housing finance and development corporation. The additional amount authorized in this bill will assist in financing the development of these much needed projects.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1252 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 588 Ways and Means on S.B. No. 1255

The purpose of this bill is to address the issue of land reform for leasehold condominiums and housing cooperatives. The bill would provide for mandatory conversion of the units by condemning the lessor's defeasible fee interest in the land and selling the interest to the lessees. The bill provides compensation for the lessor by giving the lessor, at the time of sale, half the value of the fee interest valued at its highest and best use, and by giving the lessor, in addition, thirteen per cent of the sale or transfer price of the unit on all subsequent sales and transfers of the unit forever.

Your Committee finds that each party to the leasehold contract would benefit by this restructuring of the leasehold contract. The lessees would benefit as they would receive the fee interest and would no longer be threatened by astronomical lease rent increases or surrender clauses. Lessors would benefit as they would still retain a tie to the land and they and their heirs would share in the appreciation of the land forever.

Your Committee has amended the bill by making technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1255, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1255, S.D. 2.

Signed by all members of the Committee.

SCRep. 589 Ways and Means on S.B. No. 1382

The purpose of this administration bill is to develop a comprehensive law under the jurisdiction of the department of human services to address the problem of homelessness in the State. This bill contains provisions to provide a timely and appropriate response to homelessness; respond to the growing number of homeless families that are unable to locate affordable units to rent; and establish and administer the services and benefits that the director of human services may provide to the homeless through homeless facilities.

Your Committee finds that in response to the growing problem of homelessness in Hawaii, the state administration developed a comprehensive package of legislation to authorize the State to administer programs to address and seek to resolve the situation. This package, which also includes items in the executive budget, is the result of extensive meetings and discussions involving the governor and the governor's "sub-cabinet task force on human resources/services on homeless concerns".

To clarify that homeless individuals other than members of families with children are specifically allowed to be covered by programs under the proposed law, your Committee has amended the definition of "homeless family" by specifying that the term means a household of "one or more individuals" rather than a household "with at least one dependent child under eighteen years of age".

Your Committee has further amended this bill by amending the new paragraph (25) being proposed for addition to section 46-1.5, Hawaii Revised Statutes, relating to the power of the counties. To ensure that the counties are authorized to enact ordinances "to grant" as well as regulate the exemptions enumerated in section 46-1.5(25), your Committee has added this authority in the final proviso of the paragraph.

Your Committee has also made technical nonsubstantive amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1382, S.D. 2.

Signed by all members of the Committee.

SCRep. 590 Ways and Means on S.B. No. 1383

The purpose of this administration bill is to establish a new funding mechanism to pay "homeless shelter stipends" to any private provider agency on behalf of qualified homeless families to assist in meeting shelter and service payments. The new mechanism would provide private agencies with up to \$350 per month for housing and servicing homeless

families consisting of to four members. This stipend would replace the current "chapter 42" method of providing the State's share of costs for sheltering these families. This bill also makes numerous appropriations to support the homeless programs it proposes to authorize.

Your Committee finds that this bill is part of the state administration's package to address the growing problem of homelessness in Hawaii. The package, which also includes items in the executive budget, is the result of extensive meetings and discussions involving the governor and the governor's "sub-cabinet task force on human resources/services on homeless concerns".

To clarify that the stipend payable to any provider agency for providing transitional or emergency shelter services in accordance with the terms and conditions specified shall be a single amount, your Committee has amended this bill by deleting the words "up to" which immediately precede the payable sum. Your Committee has also clarified the requirements of household units able to qualify for stipend assistance by providing that units of "up to" four members may receive assistance for residing in transitional shelter payments. This amendment ensures that household units with less than four members will also fall within the scope of the program.

Your Committee has further amended this bill by replacing the references to the definitions of "emergency shelter", "provider agency", and "transitional shelter" with the full definitions of these terms. The definitions of these terms were taken from S.B. No. 1382 which proposes to establish a new law relating to homeless families. To avoid the prospect that these terms along with their citations would, in effect, remain meaningless should S.B. No. 1382 fail to pass, your Committee has included the definitions of these terms in their entirety.

Your Committee has further amended this bill by deleting the sums to be appropriated to finance the various programs and capital improvement projects enumerated under sections 2, 3, 4, and 5 of the bill. Until the amounts can be accurately ascertained, these figures should remain unspecified.

Additionally, your Committee has made several technical nonsubstantive changes to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1383, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1383, S.D. 2.

Signed by all members of the Committee.

SCRep. 591 Ways and Means on S.B. No. 1434

The purpose of this bill is to award long-term leases on state lands to those residents of Kalapana who are of Hawaiian ancestry and who were dispossessed or displaced from their homes as a result of volcanic eruptions on the island of Hawaii after January 3, 1983.

Your Committee finds that although this bill limits its benefits to persons of Hawaiian ancestry as defined by section 13D-3(b), Hawaii Revised Statutes, it is a constitutional and effective means to carry out its purpose.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1434, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 592 Ways and Means on S.B. No. 1435

The purpose of this bill is to provide low-interest loans not to exceed three per cent interest per annum to those residents of Kalapana who are of Hawaiian ancestry and who were dispossessed or displaced from their homes as a result of the recent volcanic eruptions on the island of Hawaii.

Your Committee finds that while this bill limits its benefits to certain Hawaiians, it is a constitutional and effective means to carry out its purpose.

Your Committee has amended the bill by changing the appropriations to blank amounts and by making technical, nonsubstantive changes for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1435, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1435, S.D. 2.

Signed by all members of the Committee.

SCRep. 593 Transportation and Intergovernmental Relations on S.B. No. 558

The purpose of this bill is to subject stock transfers affecting twenty-five percent of the stock in a corporation holding a liquor license to the public notice and other requirements of Sections 281-51 through 281-60, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the Honolulu Liquor Commission.

Your Committee finds that this measure will inform the public when twenty-five percent or more of the stock in a licensee corporation is sold or transferred. As such a transfer may affect the ownership and control of a corporation to the extent that the practical result is a defacto license transfer, your Committee believes that the public notice requirements applicable to license transfers should be applicable to substantial stock transfers as well.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 558 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 594 Transportation and Intergovernmental Relations on S.B. No. 560

The purpose of this bill is to repeal a sales and marketing restriction which now applies to distilled spirits and not to beer and wine.

Your Committee received supporting testimony from the Honolulu Liquor Commission and the Departments of Liquor Control for the counties of Kauai, Maui and Hawaii.

Your Committee concurs with the testimony given. The original intent of this law was to control the sale of alcohol by liquor retailers to minors by keeping such items in a section set aside from other goods. At one time, all liquors including beer and wine were under this provision. Currently, only spirits fall under this provision, which is outdated, because all liquors must be paid for at the checkout stand of the retail establishment. Since it is the responsibility of the cashier to check the identification of the purchaser for the individual's age, there is no justification for dealing any differently with distilled spirits than with beer and wine. In addition, there does not appear to be a link between floor displays and increased consumption or abuse of these items.

Your Committee has amended the bill by modifying the language of Section 281-36, rather than eliminating it in its entirety. Your Committee wishes to make clear that this bill is not intended to abrogate other provisions of chapter 281 and rules adopted pursuant to it that are applicable to holders of retail dealer's licenses.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 560, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 595 Transportation and Intergovernmental Relations on S.B. No. 584

The purpose of this bill is to mandate the use of a safety helmet for anyone driving a moped.

Your Committee received testimony in support of the bill from the Department of Transportation, the Department of Health, the City and County of Honolulu, representatives of several hospitals, and the Injury Prevention Advisory Committee.

Your Committee finds that head injuries are the leading cause of death in moped crashes. In Hawaii, 78% of all moped fatalities in the years 1986 through 1988 were directly attributable to head injuries. Safety helmets are the single most important factor in reducing death and head injury in moped crashes.

Your Committee has amended the bill because problems that would result from improperly fitted helmets were presented in testimony. The amendments require that safety helmets comply with minimum criteria to be established by the Department of Transportation by rule and make the Act enforceable six months after approval.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 584, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 596 (Majority) Transportation and Intergovernmental Relations on S.B. No. 699

The purpose of this bill is to prohibit the licensing of liquor establishments which are located within 600 feet of schools, churches, hospitals, and public playgrounds.

Your Committee concurs with the intent of this bill regarding the necessity of regulating the licensing of establishments within close proximity to schools, churches, hospitals, and public playgrounds. However, not allowing currently licensed establishments to renew their licenses or transfer them will result in a substantial loss of revenue to these licensees which may put many of them out of business.

Your Committee has amended this bill to limit its application to establishments applying for new licenses. Those establishments which previously held or are currently holding licenses will not be affected.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 699, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senator Cobb did not concur.

SCRep. 597 Transportation and Intergovernmental Relations on S.B. No. 1907

The purpose of this bill is to require all counties to submit a yearly report on the status of all funds that were appropriated by the legislature to the county in the preceding session.

Your Committee finds that currently the counties report to the Department of Budget and Finance on the status of funds appropriated for Capital Improvement Projects. However, funds appropriated for equipment, personnel, material and programs are not reported. Requiring that the counties report on the status of these funds will ensure that these moneys are being allocated as intended by the legislature.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1907, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 598 Transportation and Intergovernmental Relations on S.B. No. 1909

The purpose of this bill is to allow the examiner of drivers to waive the motorcycle road test for persons who successfully complete a Department of Transportation approved motorcycle safety education training course.

Your Committee finds that the Employment Training Office of the University of Hawaii Community Colleges is the only accredited agency in the State that offers motorcycle safety education programs. The students that successfully complete this program are required to pass a more stringent test than that required for license examination. This measure will help alleviate the burden on the counties which turn away many motorcycle license applicants.

Your Committee has amended this bill to allow the counties' examiners of drivers to waive the actual demonstration of ability to operate a motorcycle or motor scooter when a person has passed an out of state driving test.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1909, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 599 Ways and Means on S.B. No. 113

The purpose of this bill is to make an appropriation for a study by the University of Hawaii on a non-ciguatera marine toxin at the lagoon at the Hyatt Regency Waikoloa and of the waters off the resort. The bill appropriates \$77,038 for fiscal year 1991-1992, and \$58,078 for fiscal year 1992-1993.

Your Committee finds that this toxin has been implicated in the deaths of two dolphins in the Hyatt Regency lagoon and that the toxin was found in four types of fish in the lagoon, including wrasse. Your Committee notes that the department of health recently reported illness arising from the consumption of wrasse fish by humans on the South Point of the island of Hawaii, and finds that this study may have implications for humans as well as marine life. Your Committee also notes that a research plan has been developed by three scientists at the University of Hawaii.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 113, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 600 Ways and Means on S.B. No. 1718

The purpose of this bill is to appropriate \$1,000,000 to the department of health to capitalize the leaking underground storage tank fund established under section 342L-51, Hawaii Revised Statutes.

Your Committee finds that the Environmental Protection Agency has established requirements that all owners of underground storage tanks acquire insurance, self-insurance, or government-guaranteed insurance by October 26, 1991. This requirement was established to ensure the availability of funds to meet the costs of cleaning up petroleum leaks. The leaking underground storage tank fund administered by the state department of health was established for the purpose of assisting in the cost of any corrective action to clean up petroleum leaks from any underground storage tank occurring in the State. Your Committee finds that if the legislature does not appropriate the funds to adequately capitalize the leaking underground storage tank fund, many businesses owning underground storage tanks will find it difficult to continue their operations.

While it fully supports the intent and purpose of this measure, your Committee has amended this bill by changing the sum to be appropriated into the leaking underground storage tank fund \$1. Your Committee finds that until the necessary amount to carry out the purposes of this bill can be ascertained precisely, the sum to be appropriated should remain unspecified.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1718, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1718, S.D. 2.

Signed by all members of the Committee.

SCRep. 601 Way and Means on S.B. No. 1171

The purpose of this bill is to:

- (1) Exempt resident guide dogs from the state animal quarantine requirements, subject to specific conditions; and
- (2) Appropriate moneys for the department of agriculture to:
 - (A) Hire additional animal quarantine staff to permit the extension of visitation hours at the State's animal quarantine station to 8:00 p.m. and to decrease the staff to pet ratio to one to thirty; and
 - (B) Effectuate the exemption of resident guide dogs from the State animal quarantine requirements, as provided in this bill.

Your Committee finds that this bill balances the need to protect the public health and welfare from the risk of a rabies outbreak and the Legislature's desire to address the needs of the State's handicapped community. Although this bill cannot eliminate entirely the risk of a rabies outbreak, your Committee believes that its provisions can render these risks more acceptable.

Your Committee has amended this bill by:

- (1) Defining the term "continental United States" to include the state of Alaska; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1171, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1171, S.D. 2.

Signed by all members of the Committee.

SCRep. 602 Ways and Means on S.B. No. 248

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the department of accounting and general services to purchase and install energy efficient lights in state office buildings.

Your Committee finds that fluorescent bulbs produce better lighting than incandescent bulbs and cost less per energy watt. Therefore, this bill will save the State money and improve the environment for persons working in or visiting public offices.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 248, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 603 Ways and Means on S.B. No. 818

The purpose of this bill is to provide for the establishment and regulation of family leave by the department of labor and industrial relations. The bill makes an appropriation in a blank amount to administer the chapter, and requires the legislative reference bureau to study a range of issues concerning family leave. The bill's effective date for public employees is January 1, 1992, and for employees in the private sector, January 1, 1994.

Your Committee finds that the vast majority of industrialized countries provide for family leave. Only American parents are put into the hardship position of having to choose between their newborn or newly adopted children and their jobs. Your Committee finds that the provisions of this Act will help address this situation and benefit employees and employees alike.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 818, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 604 Ways and Means on S.B. No. 873

The purpose of this bill is to provide for a labor-management-government committee (LMGC) to develop transitional training and recommendations for assisting displaced workers on Lanai. The LMGC shall submit a report to the legislature, after which it shall be dissolved.

Your Committee has made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 873, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 873, S.D. 2.

Signed by all members of the Committee.

SCRep. 605 Ways and Means on S.B. No. 1073

The purpose of this bill is to statutorily retain the annual investment yield rate of the employees' retirement system's pension accumulation fund at eight per cent for actuarial valuations made for years ending June 30, 1991 and June 30, 1992.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1073, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 606 Ways and Means on S.B. No. 1186

The purpose of this bill is to authorize the comptroller to deposit moneys received from settlements of claims or losses of state property into the state risk management revolving fund.

Currently, the moneys are deposited into the state general fund. The key objectives of the state risk management revolving fund are to minimize any disruption of public services and repair or replace state property damages or losses.

Your Committee finds that depositing moneys received from settlements or losses into the state risk management revolving fund would help to provide the necessary funding for timely restoration of public services and repair or replacement of state property.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1186, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 607 Ways and Means on S.B. No. 1235

The purpose of this bill is to fund cost items currently being negotiated for the fiscal biennium 1991-1993 between the State and collective bargaining unit (4), representing supervisory white collar employees in the executive and judicial branches of government.

Your Committee finds that negotiations with bargaining unit (4) are nearing completion and expects that the final agreement will equitably serve the needs of the affected employees, their families and dependents, and the State. Your Committee is confident that the parties will establish an agreement in time for the legislature to appropriate the sums necessary to fund the cost items under negotiation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1235, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 608 Ways and Means on S.B. No. 1236

The purpose of this bill is to fund cost items currently being negotiated for the fiscal biennium 1991-1993 between the State and collective bargaining unit (3), representing nonsupervisory white collar employees in the executive and judicial branches of government.

Your Committee finds that negotiations with bargaining unit (3) are nearing completion and expects that the final agreement will equitably serve the needs of the affected employees, their families and dependents, and the State. Your Committee is confident that the parties will establish an agreement in time for the legislature to appropriate the sums necessary to fund the cost items under negotiation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1236, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 609 Ways and Means on S.B. No. 1237

The purpose of this bill is to fund salary increases and other cost adjustments for the fiscal biennium 1991-1993, for public employees in the executive, judicial, and legislative branches of government who are excluded from collective bargaining.

The State is currently negotiating with bargaining units (3) and (4). This bill is necessary to ensure that employees in those branches, as well as in the legislative agencies who are not represented at the bargaining table, but who nonetheless perform important services, and whose remuneration has historically been tied to that of their union counterparts, will also be suitably compensated. Your Committee is confident that an agreement with bargaining units (3) and (4) will be reached in time for the legislature to appropriate the sums necessary to fund the anticipated salary increases and other cost adjustments for these excluded workers.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1237, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 610 Ways and Means on S.B. No. 1239

The purpose of this bill is to increase the discretion of the board of trustees of the employees' retirement system of the State of Hawaii with regard to investments by the board. This bill would allow the board to invest in global fixed-income securities, establish minimum and maximum member home loan mortgage amounts, and determine mortgage interest rates at its discretion. In addition, the bill would eliminate limits in asset classes as a percentage of the total book value of the system's assets.

Your Committee finds that the board of trustees has experienced excellent investment returns in the past years and has prudently invested the assets of the system for the benefit of its members. This bill would allow the board greater discretion and flexibility to react to the often volatile financial market.

Your Committee has amended this bill to delete the provisions regarding investment in global fixed-income securities, and to make technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1239, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1239, S.D. 2.

Signed by all members of the Committee.

SCRep. 611 Ways and Means on S.B. No. 1241

The purpose of this administration bill is to change the public employers' contribution for state and county retirees with less than ten years of service from a monthly fixed-dollar method to a percentage amount equal to one-half of the total monthly health insurance premiums for retired employees. This bill is needed to assist a special class of retirees containing approximately five hundred persons.

Your Committee finds that under the present fixed-dollar funding method, legislation must be passed every two years to prevent the termination of the funding thereby ensuring that retirees with less than ten years of service would not have to pay the entire monthly health insurance premium. This bill ensures that this special class of retirees will always benefit from public employer contributions to assist in paying for the cost of their health insurance coverage.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1241, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 612 Ways and Means on S.B. No. 1286

The purposes of this bill are to authorize appointing authorities to pay travel and transportation expenses, offer monetary recruitment incentives, and hire persons exempt from civil service to fill certain essential positions that are difficult to fill.

Your Committee agrees with the findings of the Committee on Employment and Public Institutions that this bill is necessary to enhance the State's ability to attract and retain qualified employees in essential and shortage category positions in order to provide needed public services.

After due consideration, your Committee has amended this bill by adding a provision to repeal the authorizations provided in this bill on July 1, 1994. Your Committee has also made a few technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1286, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1286, S.D. 2.

Signed by all members of the Committee.

SCRep. 613 Ways and Means on S.B. No. 1289

The purpose of this bill is to simplify the procedure for computing pay adjustments for employees in shortage category or related shortage category positions.

Your Committee agrees with the Committee on Employment and Public Institutions that the current method of computing shortage category pay adjustments is too convoluted and that this bill is needed to improve the efficiency in administering the State's shortage category system.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1289, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1289, S.D. 2.

Signed by all members of the Committee.

SCRep. 614 Ways and Means on S.B. No. 1287

The purpose of this bill is to amend the General Appropriations Act of 1989 in order to allow the department of personnel services to pay lawful claims against the State under the workers' compensation law.

Your Committee finds that when the budget for fiscal year 1990-1991 was established in 1988, the department of personnel services was lapsing approximately \$1,000,000 per year. Subsequently, the department has taken over responsibility for the department of education's workers' compensation claims as well, increasing both the workload of the department of personnel services and claims against the fund. At the present rate of expenditure, the fund will be exhausted in March or April 1991.

Your Committee notes that the bill has been recommended by the governor for immediate passage in accordance with Article VII, Section 9 of the State Constitution.

Your Committee has amended this bill by deleting the appropriation section on the recommendation of the director of personnel services.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1287, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1287, S.D. 2.

Signed by all members of the Committee.

SCRep. 615 Ways and Means on S.B. No. 1294

The purpose of this bill is to appropriate \$568,486.91 for fiscal year 1991-1992 to be deposited into the criminal injuries compensation fund and expended by the department of public safety pursuant to chapter 351, Hawaii Revised Statutes.

Your Committee finds that this bill is necessary to provide the financial compensation authorized in 1990 by the criminal injuries compensation commission to be paid to victims of violent crimes for medical expenses, loss of earnings, funeral and burial expenses, and pain and suffering.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1294, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 616 Ways and Means on S.B. No. 1320

The purpose of this bill is to correct statutory references to sections of the insurance code contained in section 383-153 of the workers compensation law, Hawaii Revised Statutes.

This bill makes technical amendments correcting references made obsolete by the recodification of chapter 431, which became effective on July 1, 1988. This bill makes no substantive changes to either the insurance code or the workers' compensation law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1320 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 617 Ways and Means on S.B. No. 1322

The purpose of this bill is to establish a deputy executive director position for the civil rights commission exempt from the civil service and compensation laws.

Your Committee finds that the commission's executive director, attorneys, and hearings examiners are exempt from civil service requirements and that the deputy executive director should be exempt as well.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1322, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 618 Ways and Means on S.B. No. 1338

The purpose of this bill is to:

- (1) Require that any teacher promoted to the position of vice-principal be placed in the lowest step of the salary range for the same, provided the new salary constitutes an increase of at least twelve per cent over the person's last salary as a teacher;
- (2) Require that the salary of any vice-principal promoted to that position under the rule that provided a salary increase of at least eight per cent be appropriately adjusted to reflect an increase of at least twelve per cent; and
- (3) Increase the maximum salary for deputy district superintendents from a maximum of \$65,683 a year to not less than \$65,683 nor more than \$72,886 a year, effective July 1, 1991.

Your Committee has amended this bill by:

- (1) Deleting section 1 relating to the salaries of vice-principals, and renumbering sections 2 to 4 accordingly;

- (2) Changing the minimum and maximum salary for deputy district superintendents to unspecified amounts; and
- (3) Making a technical nonsubstantive change for the purpose of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1338, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1338, S.D. 2.

Signed by all members of the Committee.

SCRep. 619 Ways and Means on S.B. No. 1346

The purpose of this bill is to provide for the statutory transfer of the Hawaii youth correctional facilities to the office of youth services.

Act 375, Session Laws of Hawaii 1989, created the office of youth services and required that the office assume, on July 1, 1991, the responsibilities for juvenile corrections functions, including the Hawaii youth correctional facilities. This bill effectuates that transfer.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1346, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 620 Ways and Means on S.B. No. 1373

The purpose of this bill is to lower the taxable wage base for unemployment insurance contributions for calendar year 1991. Specifically, the bill would require that wages not include remuneration paid by an employer exceeding \$7,000 for calendar year 1991, allow any contributions overpaid due a retroactive reduction in the taxable wage base to be credited against an employer's future contributions, and prohibit cash refunds to employers.

Your Committee finds that by reducing the taxable wage base, employers will realize tax savings that can be used to expand businesses, hire more employees, and boost the State's economy that has suffered from reductions in tourist related industries.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1373, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 621 Ways and Means on S.B. No. 1537

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the University of Hawaii on salary adjustments for administrative professional and technical positions classified APT 9 through 15.

Your Committee finds that this bill will enable the University administration to restore the internal pricing alignment between pay ranges which was disrupted by the 1990 biennium pricing review.

Your Committee has amended this bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1537, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1537, S.D. 2.

Signed by all members of the Committee.

SCRep. 622 Ways and Means on S.B. No. 1534

The purpose of this bill is to require the director of labor and industrial relations to conduct an annual evaluation of the adequacy of the unemployment trust fund and report findings to the legislature before each regular session.

Your Committee finds that the annual evaluation and report will provide valuable information needed to analyze the impact of local and national economic trends of the solvency of the unemployment trust fund.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1534 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 623 Ways and Means on S.B. No. 1915

The purpose of this bill is to amend laws relating to job-sharing in the public service.

Specifically, the bill clarifies that nurses may participate in job-sharing and eliminates the requirement that the legislative auditor submit interim status reports on job-sharing in 1992 and 1993. Your Committee notes that inclusion of nurses under the job-sharing Act will not disturb the department of health's policies and procedures relating to job-sharing that currently are in force.

Your Committee has amended this bill to restore language omitted from Act 244. Your Committee also has made a few technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1915, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1915, S.D. 1.

Signed by all members of the Committee.

SCRep. 624 Ways and Means on S.B. No. 484

The purpose of this bill is to appropriate funds for additional support staff for the statewide center for students with hearing and visual impairments.

Specifically, this bill will convert two federally-funded positions, a psychological examiner IV and school social worker IV to full-time permanent state positions, as well as establish two new permanent state positions, a resource teacher for the hearing impaired and school psychologist.

The statewide center for students with hearing and visual impairments was established on July, 1989, to formulate and implement a comprehensive system for the diagnosis, education, and vocational training of hearing and visually impaired students. The four positions requested require professionals who are fluent in American Sign Language to provide the coordination of services for these students.

Your Committee finds that professionals who can communicate directly with hearing and visually impaired students will help these students to develop a high self-esteem and to become independent and productive members of society.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 484, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 625 Ways and Means on S.B. No. 544

The purpose of this bill is to appropriate funds to expand the parent-community networking centers (PCNC) to one hundred schools over the next fiscal biennium.

PCNCs are designed to develop a sense of community in and among the home, classroom, school, and neighborhood. To date, one hundred thirty-five PCNCs have been established by the department of education at elementary, intermediate, and high school sites since 1985. Achievements of the PCNCs include the establishment of a variety of programs such as tutoring programs, food and clothing centers, volunteer development, dialogue sessions, issues forums, homework centers, referrals to service providers, and workshops on subjects such as esteem building, drug problems, parenting, college/work opportunities, and communication skills.

Your Committee finds that parent-community involvement in education has a positive impact on school effectiveness regarding student achievement and esteem, and promotes a sense of community through the assessment of needs and interests, team planning, and implementation of programs at a grassroots level.

Your Committee has amended this bill by changing the appropriation to a blank amount, and by making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 544, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 544, S.D. 1.

Signed by all members of the Committee.

SCRep. 626 Ways and Means on S.B. No. 621

The purpose of this bill is to appropriate funds to be expended by the department of education for salaries of teachers who move from class VI to class VII pursuant to section 297-31.1, Hawaii Revised Statutes. Currently, teachers with five acceptable years of college education and sixty-six additional credits approved by the department are able to move into a higher pay grade that previously had been limited to those teachers with doctorates.

Your Committee finds that this bill is necessary to enable the department to increase the salaries of qualified and deserving teachers to a level that is more reflective of their efforts to excel in their profession.

Your Committee has amended this bill by substituting blank amounts for the appropriations.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 621, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 621, S.D. 2.

Signed by all members of the Committee.

SCRep. 627 Ways and Means on S.B. No. 695

The purpose of this bill is to purchase a replacement training vessel for the expansion of services provided by the Kailua high school boating program.

Established in 1980, the Kailua high school boating program has become an important and popular component of the high school's marine science curriculum. The goals of the program are to provide students with:

- (1) A basic understanding of boating safety and nautical skills;
- (2) Boating experience in order to gain knowledge about the fisheries industry, conservation, and environmental issues; and
- (3) Experiences that will encourage them to explore careers in boating and related fields.

Your Committee has made technical nonsubstantive amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 695, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 695, S.D. 1.

Signed by all members of the Committee.

SCRep. 628 Ways and Means on S.B. No. 1045

The purpose of this bill is to give complete discretion to the board of regents in setting the salary of the president of the University of Hawaii.

The provisions of this bill reflect the recognition of the legislature of the tough, complex, and far-reaching job the president of the University of Hawaii faces. It is also a measure of the trust that the legislature has in the board of regents. Your Committee notes that no other department head level salary is totally free of constraints. Accordingly, the board of regents should exercise discretion and good judgment in wielding this power, and should bear in mind that the quality of a potential president does not lie in the amount of salary he or she demands, but in the dedication, managerial skills, intellectual rigor, and humanity that the president brings to the job. In providing this level of discretion to the board of regents, your Committee is confident that the board will exercise sound judgment in establishing a salary level that is not perceived as being unreasonable or excessive.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1045, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 629 Ways and Means on S.B. No. 1048

The purpose of this bill is to appropriate funds to the University of Hawaii to support the activities of the office of technology transfer and economic development.

The office of technology transfer and economic development was established at the University of Hawaii to facilitate the transfer of new technologies developed at the university to the private sector. Additionally, the office supports the State's efforts in business and economic development, and encourages science and technology education in the State.

Your Committee has amended this bill by changing the appropriation to a blank amount, and by making technical nonsubstantive changes for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1048, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1048, S.D. 1.

Signed by all members of the Committee.

SCRep. 630 Ways and Means on S.B. No. 1313

The purpose of this bill is to establish a University of Hawaii alumni revolving fund for alumni activities and programs. Moneys received from donations and proceeds from alumni activities are to be deposited into the fund.

Your Committee agrees with the Committee on Education that a fund as proposed by this bill is needed to facilitate the operations of the University of Hawaii Alumni Association.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1313 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 631 Ways and Means on S.B. No. 1314

The purpose of this bill is to clarify two elements relating to contract assignments and contract certification that were omitted from the administrative flexibility granted to the University of Hawaii and the department of education under Act 321, Session Laws of Hawaii 1986, as amended.

Your Committee finds that Act 321, Session Laws of Hawaii 1986, as amended, allows the University of Hawaii and the department of education to assume responsibility over all matters relating to the acquisition of goods and services, pre-audit of payments, and disbursing. Currently, however, only the comptroller is authorized to certify to the availability of

funds and to approve requests for assignment. Because the university and the department of education were delegated the responsibility to carry out their own purchasing and disbursement activities, the law should also authorize these agencies to perform their own contract assignment and certification functions. This bill authorizes the chief financial officers of the department of education and the University of Hawaii to perform these functions.

Your Committee has amended this bill by correcting several technical errors in drafting.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1314, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1314, S.D. 1.

Signed by all members of the Committee.

SCRep. 632 Ways and Means on S.B. No. 1337

The purpose of this bill is to appropriate funds for adjustments made to the educational officer classification/compensation plan by the educational officer classification/compensation appeals board.

Section 297-31.3, Hawaii Revised Statutes, which establishes the procedure for educational officer classification appeals, provides that decisions of the appeals board be binding on the parties and authorizes the appeals board to make any necessary adjustments to affected classes where appeals have been filed. This bill appropriates the funds to effectuate the adjustments made by the appeals board.

Your Committee has amended the bill to provide appropriations of \$323,797 for fiscal year 1991-1992 and \$342,575 for fiscal year 1992-1993 instead of a lump sum of \$666,372 for the 1992-1993 fiscal biennium. Your Committee has also made technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1337, S.D. 1, as amended herein, and recommends that it pass Third Reading the form attached hereto as S.B. No. 1337, S.D. 2.

Signed by all members of the Committee.

SCRep. 633 Ways and Means on S.B. No. 1460

The purpose of this bill is to appropriate funds for the University of Hawaii and the department of education to implement the Hawaii opportunity program in education (Project HOPE).

In 1990, project HOPE was established by the legislature to provide scholarships and provide assistance for financially needy students, giving priority to ethnic groups underrepresented at the University of Hawaii, Manoa. By working collaboratively with the department of education, the University will implement project HOPE, beginning with the 1991 third grade class who will be eligible for scholarships in 2002.

Project HOPE sets aside \$1,000,000 a year from University of Hawaii tuition fees during this decade to form an endowment. After the year 2000, interest from the endowment will perpetuate the fund.

The funds being requested in this bill would be used for support staff for the statewide coordination of activities, curriculum development, training and assessment, and related costs for transportation and materials.

Your Committee amended this bill by amending section 304-8, Hawaii Revised Statutes, to limit the amount of money transferred to the Hawaii opportunity program in education special fund annually to no more than \$1,000,000.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1460, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1460, S.D. 1.

Signed by all members of the Committee.

SCRep. 634 Ways and Means on S.B. No. 1484

The purpose of this bill is to appropriate funds for the expansion and support of the Hawaiian language immersion program by the department of education.

Your Committee has amended this bill by changing the appropriation to a blank amount, and by making technical nonsubstantive amendments for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1484, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1484, S.D. 2.

Signed by all members of the Committee.

SCRep. 635 Ways and Means on S.B. No. 1511

The purpose of this bill is to appropriate funds for a classroom library for Kapaa elementary school.

Your Committee finds that Kapaa elementary is the most populated elementary school in the State, but does not have its own library facilities. Currently, Kapaa elementary shares the library facilities at Kapaa high school.

Your Committee believes that in order to provide quality education to the children of our State, proper resources and facilities must be made available to all public schools.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1511, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 636 Ways and Means on S.B. No. 1657

The purpose of this bill is to assist at-risk secondary school students to gain job-seeking skills and find jobs as alternatives to regular secondary school attendance.

Under this bill, the program would be administered by the employment training office of the University of Hawaii.

Your Committee finds that there are an estimated 7,000 secondary school students statewide who are considered to be "at risk" and that this program will help these students gain basic job skills needed to meet employment requirements.

Your Committee has amended this bill by changing the appropriation to be a blank amount and by making technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1657, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1657, S.D. 2.

Signed by all members of the Committee.

SCRep. 637 Ways and Means on S.B. No. 1681

The purpose of this bill is to appropriate moneys for the department of education to hire one full-time counselor to serve as a liaison between the Honolulu police department and the department of education in the coordination and implementation of the city and county of Honolulu's "No Hope in Dope" program, provided the sum appropriated is matched by the city and county of Honolulu.

Your Committee finds that the "No Hope in Dope" program has proven to be a huge success, and that it has received excellent reviews and enthusiastic support from parents, community leaders, government officials, and the general public.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1681, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1681, S.D. 2.

Signed by all members of the Committee.

SCRep. 638 Ways and Means on S.B. No. 1683

The purpose of this bill is to make appropriations of \$500,000 each for fiscal years 1991-1992 and 1992-1993 for equipment, supplies, and services for high school athletics.

Your Committee finds that high school athletics is an integral part of a student's educational experience, and that safety equipment and necessary medical supplies are vital to ensure the health and safety of the students participating in the athletics programs.

Your Committee has amended this bill by leaving the amounts of the appropriations blank.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1683, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1683, S.D. 1.

Signed by all members of the Committee.

SCRep. 639 Ways and Means on S.B. No. 2099

The purpose of this bill is to appropriate funds for a secretary position and two passenger vans for the Storefront alternative learning center of the department of education.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2099, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2099, S.D. 1.

Signed by all members of the Committee.

SCRep. 640 Ways and Means on S.B. No. 8

The purpose of this bill is to establish a Hawaii property insurance association which will provide basic property insurance to persons who live in an area exposed to natural disasters and who are unable to obtain such insurance from a

licensed insurer. The bill requires the designation of a geographical area to be eligible for coverage through the association.

Upon due consideration, your Committee has amended this bill to require that the underwriting standards for determining insurability of a risk in the designated geographical area be comparable to the standards used for determining insurability for property outside that designated area. Your Committee has also made several technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 8, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 8, S.D. 2.

Signed by all members of the Committee.

SCRep. 641 Ways and Means on S.B. No. 1067

The purpose of this bill is to establish a temporary task force within the department of the attorney general to continue the investigation of potentially illegal practices of the oil industry in the State. The primary responsibilities of the task force would be to monitor and analyze oil industry data and study various issues. The bill also requires each petroleum refiner and distributor to submit monthly reports on all prices charged to the attorney general.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1067, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 642 Ways and Means on S.B. No. 1125

The purpose of this bill is to appropriate funds to support, augment, and improve the existing project to update, clarify, and strengthen the regulatory framework for financial institutions and to address related issues.

Your Committee agrees with the findings of the Committee on Consumer Protection and Business Regulation that additional funds are necessary in order to complete the comprehensive review of the State's laws relating to financial institutions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1125 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 643 Ways and Means on S.B. No. 1198

The purpose of this bill is to clarify language regarding the powers and duties of the department of commerce and consumer affairs as to the imposition of fees for examinations and licenses and the delegation of authority for the administration of the licensing laws under its jurisdiction.

Your Committee has made several technical, nonsubstantive amendments for purposes of style and to correct typographical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1198, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1198, S.D. 2.

Signed by all members of the Committee.

SCRep. 644 Ways and Means on S.B. No. 1213

The purpose of this bill is to amend the laws relating to the collection and payment of restitution to consumers in actions brought by the office of consumer protection.

Your Committee finds that this bill removes unnecessary restrictions on the court in ordering restitution to injured consumers; allows the office of consumer protection to establish and maintain an account to hold and disburse moneys received or recovered that are due to consumers as restitution; and allows the director of the office of consumer protection to assign a portion of any restitution judgment to a consumer.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1213, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 645 Ways and Means on S.B. No. 1914

The purpose of this bill is to amend the laws relating to insurance premiums by:

- (1) Establishing uniform tax rates for different types of insurers;
- (2) Authorizing the payment of taxes on a quarterly basis for certain insurers;

- (3) Allowing tax credits by some insurers, provided the total dollar amount of credits shall not be more than 1.2 per cent of the gross premiums taxed;
- (4) Establishing tax recordkeeping and reporting requirements; and
- (5) Providing a rebate policy to insureds from insurers who receive refunds as a result of taxes paid over the year.

The bill also provides that in the event that any of the provisions listed above are declared invalid, the bill additionally provides for the following:

- (1) A uniform tax rate of 3.8 per cent on the gross premiums received from insurers of all insurance except life and ocean marine insurers; and
- (2) A uniform tax rate of 2.9 per cent on the gross premiums received from insurers for all life insurance contracts.

Your Committee has amended this bill by:

- (1) Providing a 3 per cent tax rate on all premiums received by all insurers including premiums received with respect to life insurance contracts, ocean marine insurance contracts, and title insurance contracts;
- (2) Repealing the general exemption of insurance companies from the general excise tax to provide that all amounts received other than amounts received as premiums on insurance contracts be taxed at the general excise rate of 4 per cent;
- (3) Establishing an effective date for the bill;
- (4) Clarifying the effective date provisions to ensure that conflicting amendments to section 431:7-202 do not take effect at the same time, and that the amendments made by section 7 of the bill apply only if the amendments made by section 4 are found to be unconstitutional; and
- (5) Making other technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1914, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1914, S.D. 2.

Signed by all members of the Committee.

SCRep. 646 Ways and Means on S.B. No. 33

The purpose of this bill is to provide funds for the purchase of land in the central district of Oahu to develop a regional park and sports complex.

Your Committee finds that strong community support exists for the establishment of such a park, and that the population growth in the area insures that the need for recreational facilities and open space on a large scale will become inevitable.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 33 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 647 Ways and Means on S.B. No. 809

The purpose of this bill is to provide funds to assist in the design and construction of a bike path and walkway makai of Kamehameha Highway from the entrance of Waimea Bay to the proposed City and County of Honolulu Waialea Beach Park.

Your Committee has amended this bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 809, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 809, S.D. 1.

Signed by all members of the Committee.

SCRep. 648 Ways and Means on S.B. No. 1053

The purpose of this bill is to require the department of land and natural resources to submit annual reports to the legislature on the status, use, and disposition of the wildlife revolving fund. The report would provide such information to the general public as well.

Your Committee finds that this reporting requirement will improve departmental accountability in the use of public money to further the public policy goals established by the legislature.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1053 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 649 Ways and Means on S.B. No. 1311

The purpose of this bill is to transfer certain parks between the State and the counties to eliminate duplication currently existing in administration of the affected parks.

Your Committee finds that the transfer of the parks will provide a positive fiscal impact on both the State and counties as duplicative administration will be eliminated. Your Committee also finds that no additional fiscal impact on the State will occur as the requirements of Article VIII, section 5, concerning transfer of moneys with transfer of duties to the counties will be satisfied by the receipt by the counties of the proceeds of the transient accommodations tax, as provided in Act 185, Session Laws of Hawaii 1990.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1311, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 650 Ways and Means on S.B. No. 1377

The purpose of this bill is to require the department of land and natural resources to establish and manage a state parks interpretive program to be known as the "aina hoomalu state parks program".

Specifically, this bill:

- (1) Requires the department to designate state parks throughout the State to be included in the aina hoomalu state parks program, and to develop interpretive programs for these parks;
- (2) Establishes a special fund to be known as the aina hoomalu special fund, which would consist of all proceeds involving park user fees or any leases or concession agreements collected by the state parks program, subject to certain limitations;
- (3) Requires the department to expend moneys from the special fund after July 1, 1992, and specifies the uses of the funds; and
- (4) Repeals existing statutory language that requires all moneys derived from any state park to be deposited with the director of finance to the credit of the general fund.

Your Committee has amended this bill by:

- (1) Amending section 1 to clarify that Hawaii's natural beauty and environment are priceless resources that are, rather than should be, protected for the public benefit as a trust, pursuant to Article XI, Section 1 of the Constitution of the State of Hawaii; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1377, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1377, S.D. 2.

Signed by all members of the Committee.

SCRep. 651 Ways and Means on S.B. No. 1595

The purpose of this bill is to appropriate funds to the credit of the industrial park revolving fund to establish an industrial parks planning section under the land management division of the department of land and natural resources.

Your Committee finds that the establishment of an industrial parks planning section under the land management division of the department of land and natural resources will greatly assist in the designing, planning, and the development of industrial parks statewide.

Your Committee has amended this bill by:

- (1) Changing the appropriations to blank amounts; and
- (2) Making technical nonsubstantive changes for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1595, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1595, S.D. 2.

Signed by all members of the Committee.

SCRep. 652 Ways and Means on S.B. No. 1131

The purpose of this bill is to establish the Mount Olomana State Park on the island of Oahu, and to appropriate \$500,000 to the department of land and natural resources for the acquisition of those lands necessary to establish the same.

Your Committee finds that this bill will ensure the protection of:

- (1) Those lands that the department of land and natural resources considers essential to the preservation of Mount Olomana; and
- (2) Those state lands that may be best used for recreational purposes, and to increase public access to and enjoyment of Mount Olomana State Park.

Your Committee has amended this bill by:

- (1) Amending section 2 to change the appropriation to acquire those lands necessary to establish the Mount Olomana State Park to a blank amount; and
- (2) Making technical nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1131, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1131, S.D. 2.

Signed by all members of the Committee.

SCRep. 653 Consumer Protection and Business Regulation on S.B. No. 348

The purpose of this bill is to prohibit motor vehicle rental agencies from offering collision damage waivers and to limit the lessee's liability for damage.

Your Committee finds that collision damage waivers offered by motor vehicle rental agencies have caused much confusion among the users of rental vehicles. Although the Legislature enacted a law in 1988 to regulate the use of collision damage waivers offered by motor vehicle rental agencies, the confusion among consumers still persists.

Your Committee further finds that the reason for the confusion is that users believe they need collision insurance on rental vehicles, and collision damage waivers are represented as collision insurance. Your Committee believes that the practices surrounding collision damage waivers require the statutory abolition of collision damage waivers to avoid any further confusion.

Your Committee has made amendments to strengthen this bill that are patterned after the National Association of Insurance Commissioner's collision damage waiver model act. Specifically, these amendments provide conditions for motor vehicle rental companies to hold an authorized driver liable for damages, and prohibit rental companies with a fleet of more than 100 cars from offering collision damage waivers. In addition, the Director of the Department of Commerce and Consumer Affairs and the Department's employees are prohibited from releasing or divulging collision damage waiver statistics.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 348, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 654 Housing and Hawaiian Programs on S.B. No. 178

The purpose of this bill is to require associations of apartment owners to prepare annual budgets and establish reserves for future expenses.

Your Committee finds that the failure to establish adequate reserves can impose considerable hardship on the unit owners in the form of large and unexpected special assessments. In many instances there is no accumulation of reserves for a number of years, then units are sold leaving the successors with an obligation to pay for the lack of reserves.

Your Committee has amended the bill to clarify the requirement that annual budgets be prepared and assessments for reserves be made. The bill has been further amended by making technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 178, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 655 Housing and Hawaiian Programs on S.B. No. 1250

The purpose of this bill is to clarify that the Housing Finance and Development Corporation is not liable or responsible for the condition or quality of land which it condemns for the purpose of lease to fee simple conversion under Chapter 516, Hawaii Revised Statutes.

Recently, issues relating to pre-existing quality and condition have arisen regarding certain development tracts in which lessees have petitioned the Corporation for condemnation of the leased fee interest. Your Committee finds that the Corporation's role in such matters is confined to assisting in the conversion. Pre-existing or future land conditions such

as soil erosion or flooding may be factors in determining just compensation for the landowner; however, such factors do not fall within the jurisdiction of the Corporation.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1250 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 656 Housing and Hawaiian Programs on S.B. No. 290

The purpose of this bill is to clarify and strengthen the provisions relating to the sale of residential condominium apartments to prospective owner-occupants.

Your Committee received testimony from the Real Estate Branch of the Professional and Vocational Licensing Division, the Real Estate Commission, the Land Use Research Foundation of Hawaii, Hawaii Association of Realtors, Building Industry Association of Hawaii and the Real Estate Section of the Hawaii Bar Association. All of the testimony received by your Committee was generally supportive of the bill and the only substantial issue centered on the mandatory lottery provisions.

Your Committee has amended the bill to establish the chronological system as an alternative to the public lottery and an option to determine the final reservation list for the sale of residential condominium apartments to prospective owner-occupants. Your Committee has also deleted the thirty-day post notice limit for publication at page 5, lines 6-7, as unnecessary and inconsistent with the proof of publication requirement at page 8, lines 14-17.

Your Committee has further amended the bill by making clarifying language changes which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 290, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 657 Housing and Hawaiian Programs on S.B. No. 2097

The purpose of this bill is to require the Board of Directors of an association of apartment owners to prepare an annual financial report and to mail copies to each apartment owner not less than thirty days prior to the annual meeting.

Your Committee received substantial testimony both supporting and opposing the bill.

Your Committee finds it necessary that apartment owners be furnished with current and accurate financial information concerning the affairs of the Association of Owners.

Your Committee has amended the bill by deleting its contents and adding new language which amends existing law to remove provisions which permit apartment owners who are members of an association of twenty or more to waive audits and verification of cash balances and to require that annual audits and other financial information be distributed to all association owners.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 2097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2097, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 658 (Joint) Housing and Hawaiian Programs and Planning, Land and Water Use Management on S.B. No. 2050

The purpose of this bill is to impose affirmative duties on state agencies, particularly the Commission on Water Resources Management, that have responsibilities over the use of water resources, to reserve water in such locations and such quantities and for such seasons of the year as are necessary to protect the rights and entitlements to water as provided for in the Hawaiian Homes Commission Act, 1920, as amended, specifically section 221 of that Act which grants the Department of Hawaiian Homelands the superior right to all water arising on public lands. Such state agencies, particularly the Commission on Water Resources Management, shall also explicitly include the amount of water, in specific terms, to be reserved to the Department of Hawaiian Homelands in the State Water Plan, as required by the State Water Code, Chapter 174C, Hawaii Revised Statutes, and shall make such water available to the Department upon its request within a reasonable time from the date of the request. The reservation and explicit requirements of water to be granted the Department of Hawaiian Homelands required by this bill shall also include the quantity of water that would be set aside under the federal common law as to reserved water rights, as if that doctrine, particularly as set forth in the U.S. Supreme Court decision in Cappaert v. United States reserving "only that amount of water necessary to fulfill the purpose of the reservation, no more," 426 U.S. at 141, were to apply to all the lands currently within the inventory of the Department of Hawaiian Homelands.

Your Committee heard testimony from a number of groups and organizations, including the State Attorney General, Mr. Paty of the Commission on Water Resources Management, the Department of Hawaiian Homelands, Ka Paukaukau, Ms. Lela Hubbard, Mr. Chang for Native Hawaiian Advisory Council, Inc., Ms. Kamaau (for Mr. Murakami) the Office of Hawaiian Affairs and Ms. Julie Cachola for Ka Lahui, among others.

From the testimony, your committee has decided that there was essential agreement that section 221 of the Hawaiian Homes Commission Act presently grants the Department of Hawaiian Homelands superior water rights over all other users.

Your Committee has made several amendments to this bill. The direct reference to judicial decisions regarding the reserved water rights doctrine in the language of the bill as introduced has been deleted so that the whole body of federal common law decisions, including those decisions applying to quantification, can guide state agencies in implementing the purposes of this bill. The suggestion of the Department of Hawaiian Homelands, that planning must be conditioned on the rights of the Department, has been accepted as well as the important right of the Department to demand and receive water as needed.

Your Committees on Housing and Hawaiian Programs and Planning, Land and Water Use Management are in accord with the intent and purpose of S.B. No. 2050, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2050, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 659 Employment and Public Institutions on S.B. No. 1536

The purpose of this bill is to require the Board of Trustees to provide to the Legislature annual summaries of the data used to make actuarial valuations and check the experience of the various funds of the Employees' Retirement System.

Your Committee finds that this information will enhance the ability of the Legislature to make informed decisions relating to the Employees' Retirement System and its investments.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of S.B. No. 1536 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 660 Planning, Land and Water Use Management on S.B. No. 1344

The purpose of this bill is to clarify and strengthen statewide planning processes.

The bill emphasizes the role of strategy in planning, provides increased opportunities for public input, and acknowledges and reinforces the innate interdependency that characterizes the relationship between functional planning and budgeting. The bill also abolishes the State Plan Policy Council whose functions are now being appropriately carried out by advisory committees and specialized task forces.

In addition, the bill transfers responsibility for preparing Functional Plan guidelines from the Office of State Planning to the Department of Budget and Finance in order to ensure that budget preparation effects planning goals, objectives, policies, and priorities.

Your Committee finds that this bill will make state planning more dynamic and responsive to the long and short range needs of the people of Hawaii. Addition of strategic planning will ensure early identification and analysis of and response to emerging and critical statewide issues, while increased flexibility and opportunity for public input will ensure thorough consideration of any proposed change in the State Plan. And finally, this bill will promote interagency coordination and county participation in planning processes through creation of appropriate task forces, and ad hoc and advisory committees that will relate to specific planning projects within their specialized areas of interest and expertise.

Your Committee has amended this bill by making several technical changes which have no substantive effect.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of S.B. No. 1344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1344, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 661 Agriculture and Environmental Protection on S.B. No. 215

The purpose of this bill is to require a mitigation plan for any project which might affect threatened or endangered species or their habitats. It would also provide the right to sue the Department of Land and Natural Resources or a permit holder for violations.

Your Committee received testimony which uniformly supported the importance of preserving Hawaii's unique species of flora and fauna. However, there was widespread disagreement as to the details which should be included in the mitigation procedure to enable project development to take place.

Since there was unanimity as to the objectives but no consensus as to the exact mechanism to be employed, your Committee has deleted the specific language of the bill dealing with mitigation in the hope that the various points of view can reconcile any differences and emerge with a procedure which accommodates the various concerns. Your Committee preserved language in the bill dealing with prohibiting the destruction or adverse modification of habitats essential to the existence of endangered species.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 215, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 215, S.D. 2.

Signed by all members of the Committee.

SCRep. 662 Agriculture and Environmental Protection on S.B. No. 276

The purpose of this bill is to provide a mechanism to eventually eliminate the use of nondegradable and chlorofluorocarbon-processed packaging originating at retail food establishments to protect the air, land, and waters against environmental contamination and degradation.

Your Committee has amended this measure by deleting its provisions and permitting the use of plastic connecting devices on beverage containers, motor oil, and other consumer goods provided the devices are recyclable and designed to protect wildlife. Your Committee finds that recent technological advances make it possible to manufacture such recyclable carriers to help lessen the demand on our landfills and protect wildlife from becoming entangled in the holes.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 276, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 663 Agriculture and Environmental Protection on S.B. No. 1819

The purpose of this bill is to extend the sunset date for the conversion of qualified agricultural or residential and home gardening revocable permits from July 1, 1991, to July 1, 2046.

Upon further consideration, your Committee has amended this bill by extending the sunset date until July 1, 1993, which should provide plenty of time to convert the revocable permits to long-term leases.

Your Committee has further amended this measure by providing that the disposition of public lands set aside for agricultural processing facilities may be accomplished by the board of agriculture without going to the Board of Land and Natural Resources for approval.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1819, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 664 Education on S.B. No. 940

The purpose of this bill is to amend the laws of the State relating to higher education.

Your Committee has amended this short form bill by inserting substantive material which provides for a student member on the University of Hawaii Board of Regents. Specifically, this bill:

- (1) Requires the student member to be currently enrolled as a student at the University of Hawaii at the time the student is appointed to the Board of Regents;
- (2) Provides for the appointment of the student member by the Governor from a list of three nominees submitted by the University of Hawaii Student Caucus;
- (3) Provides for the student member to serve a one year term from June 1 to May 30;
- (4) Allows the Governor to reappoint a student member to a successive term upon recommendation by the University of Hawaii Student Caucus;
- (5) Allows the Governor to appoint a successor for the remainder of the student member's term if the student member should resign from the Board, from a list of three nominees submitted by the University of Hawaii Student Caucus; and
- (6) Provides a five year drop-dead clause.

The 1978 State of Hawaii Constitutional Convention's Committee on Education considered including a provision in the Hawaii Constitution for student and faculty membership on the University of Hawaii Board of Regents. The Convention endorsed and applauded the current practice, an informal process whereby the Governor has the discretion to appoint a student or young person to the Board, and deferred making any changes to the Constitution.

Although the positive findings of the 1978 Constitutional Convention regarding a student representative on the Board of Regents still has substantial merit today, the current trend has moved away from the informal process of appointing student members. Your Committee notes that a student member has been absent from the Board since 1984.

Student input in the governance system should be an important element to policy formulation in higher education. Your Committee finds that the Board of Education already provides for a student member on its board. The situation is

not unique. On the contrary, a survey of multicampus institutions of higher education across the nation indicates that a majority of universities provide for student membership on their governing boards.

A student member on the Board of Regents will increase student participation and provide for direct involvement in issues, policy decisions, and activities that affect the University. It will empower students with greater roles within the University, instill school pride, and increase student awareness regarding issues that have a direct impact on them. On the other hand, the Board of Regents will gain a better understanding and broader perspective of student needs and concerns. Both the University of Hawaii and the State will benefit from new insights obtained through the direct input of students.

The Board of Regents testified that while they were in support of the intent of the bill, it would prefer that the current statute not be amended. Instead, the Board suggested that the issue of student input relative to the governance of the University be addressed by the Board. The re-establishment of a Board of Regents' policy to include students on the Board's standing committees would provide for direct student input. Your Committee concurs with the Board's testimony that student members should sit on standing committees.

Your Committee recognizes the concerns raised by the Board of Regents. Therefore, your Committee has included a five year drop dead provision for the appointment of the student member. Your Committee acknowledges the need to evaluate the situation and determine what future action should be taken.

Your Committee emphasizes that passage of this measure should not be construed as a negative reflection on current Board members or any actions taken by the Board. Neither is it an attempt to thwart the system or provide for a student advocate on the Board, rather, it is intended to broaden perspective, foster greater understanding, and provide for informed and meaningful decision-making by the Board of Regents.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 940, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 665 Transportation and Intergovernmental Relations on S.B. No. 249

The purpose of this bill is to incorporate into each county building code a requirement that all new showerheads and bathtub faucets contain anti-scalding devices.

Your Committee received testimony in support of the bill from the Department of Human Services, the Plumbing and Mechanical Contractors Association of Hawaii, and the Executive Staff Engineer of Hawaiian Electric Company, Inc.

Your Committee finds that this bill will help prevent or reduce the number of hot water burns to young children, elderly and disabled people who live in dwellings without such anti-scalding devices. Further, the range of retail prices of plumbing fixtures with anti-scalding devices begins at \$30 above that of fixtures without these devices.

Your Committee has amended the bill by making substantive changes to clarify the actual devices that will be required in new dwelling units.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 249, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 666 Agriculture and Environmental Protection on S.B. No. 1188

This bill is essentially a housekeeping measure to update Chapter 486, Hawaii Revised Statutes, entitled "Measurement Standards" to bring its provisions into alignment with national consensus standards for uniformity in weights and measures by adding, amending, deleting, and relocating certain sections of Chapter 486 within and between specific parts both existing and proposed.

After consideration, your Committee has removed SECTION 19 and part of SECTION 8 dealing with offenses and penalties. More information is needed to ensure that the penalties are equitable and clearly stated.

Your Committee has also amended this bill by making nonsubstantive changes for clarity and to correct technical drafting errors.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of S.B. No. 1188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1188, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Levin and Solomon.

SCRep. 667 Consumer Protection and Business Regulation on S.B. No. 1469

The purpose of this bill is to delete the requirement that residential leases include summaries of provisions of the leases, as well as the requirement that other information concerning leases be disclosed to buyers of leasehold property.

Act 168, Session Laws of Hawaii 1989, required that in the sale of residential leasehold property, the seller must provide the purchaser with a copy of lease documents, a summary of the lease, and other information fully disclosing the terms of the lease in plain language.

The Hawaii Council of Associations of Apartment Owners and Small Landowners Association testified that the requirement for a standardized summary of major provisions of the lease in plain language," as prescribed by Act 168, has required sellers to provide lengthy and costly summaries prepared by attorneys.

In order to balance the concerns of sellers and the need to protect potential buyers, your Committee has amended this bill to provide for a simple and standardized disclosure of leasehold information to a prospective purchaser of leasehold property.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1469, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 668 Consumer Protection and Business Regulation on S.B. No. 1822

The purpose of this bill is to require all health insurers and mutual benefit societies to provide insurance coverage for newborn adopted children.

Your Committee heard supporting testimony from the Hawaii Medical Services Association (HMSA), Hawaii Public Health Association, and several concerned private citizens.

Currently, adoptive parents are at a distinct disadvantage when attempting to obtain health care coverage for their new child, because they are unable to receive such benefits until the child is legally named to their custody. Most health insurance companies require adoptive parents to produce a final adoption decree before formally enrolling the child in the health insurance program. Under these circumstances, the adoptive family is liable for all of the child's medical expenses incurred prior to that date, which could theoretically run into the thousands of dollars, especially if the child is infirmed and requires extra care.

Your Committee has amended the bill to allow an adopted child to be covered under the parent's medical insurance policy from the date of the child's birth, only if the adoptive parents provide written notice to the insurer of their intent to adopt the child prior to the child's date of birth or within a reasonable period of time after birth.

HMSA expressed concerns about the length of time between the child's date of birth and the filing of a written intent to adopt the child with the insurer. It could take months to place a child, and therefore the written notice would be provided several months after the child's birth. Under this measure, HMSA could be responsible for all of the medical bills incurred during those several months. HMSA indicated the need to set a deadline after birth in order to avoid an unfair situation for insurers. Noting these concerns, and in order to facilitate continued discussion, your Committee has provided for the insurer to extend coverage upon written notice, for a reasonable period of time after birth.

Your Committee firmly believes it appropriate that these services, which would be extended to the insured's birth children, should also be extended to adoptive children. Your Committee strongly believes that adequate medical and preventive health care for newborns will result in a healthier and more productive adult population, and should be viewed as a worthwhile investment into Hawaii's future.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 1822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1822, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Koki.

SCRep. 669 Consumer Protection and Business Regulation on S.B. No. 2085

The purpose of this bill is to standardize certain practices of used motor vehicle dealers.

Specifically, this measure:

- (1) Requires the Insurance Commissioner to approve the form used for informing purchasers of used motor vehicles that the purchase of credit life insurance is strictly voluntary;
- (2) Prohibits a used motor vehicle dealer from selling any third party warranties, especially those from a person from out-of-state; and
- (3) Requires a used motor vehicle dealer to process and file the motor vehicle registration application with the appropriate county licensing authority within fourteen days of the purchase of the vehicle.

Your Committee has amended this bill by specifying the wording and point type of the disclosure required for informing purchasers that that purchase of credit life insurance is voluntary. In addition, your Committee has amended the bill by incorporating the substance of S.B. No. 1910, which requires a used motor vehicle dealer to provide a consumer with a written express warranty for the sale of any used motor vehicle.

Several technical, nonsubstantive amendments have also been made for purposes of clarity and style.

Your Committee finds that this bill will provide needed protection for purchasers of used motor vehicles.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of S.B. No. 2085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2085, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 670 Judiciary on S.B. No. 104

The purpose of this bill is to propose amendments to the State constitution to provide for indirect initiative. The salient features of this proposal are:

- (1) an initiative can propose either statutory or constitutional amendments on any subject except that it may not appropriate public funds, change tax law, or deal with matters governed by collective bargaining contracts;
- (2) an initiative petition for a statutory change requires the signatures of registered voters equal in number to ten percent of the votes for governor in the preceding gubernatorial election, with that same percentage being met in at least two counties;
- (3) for constitutional changes, the requirement is twelve percent;
- (4) the requisite signatures must be obtained within one year and filed with the lieutenant governor at least thirty days prior to the regular session in an even numbered year. The lieutenant governor determines whether the requisite signatures were obtained and, if so, certifies the initiative and transmits it to the legislature;
- (5) for constitutional amendments, the legislature has two options. If it takes no action or passes the proposed initiative without amendment, the initiative's proposal goes onto the ballot at the general election. Alternatively, the legislature can amend the proposed initiative by a two-thirds vote of each house. If the legislature's amendment is nonsubstantive, the legislative version goes on to the ballot for ratification. If the amendment is substantive, both versions go onto the ballot. If both receive the requisite votes, the version obtaining the greater support is ratified;
- (6) for statutory amendments, there are three legislative options: (a) do nothing and let the initiative be placed on the ballot for ratification, (b) enact the proposed initiative or a substantively equivalent statute and render the initiative moot, or (c) substantively amend the statutory initiative or pass a conflicting statute by a majority vote of each house, causing both versions to be placed on the ballot. If both receive the requisite support at the general election, the version obtaining the greater support is ratified;
- (7) the Supreme Court determines whether differences are substantive; and
- (8) a statutory adoption or constitutional amendment adopted by initiative may not be repealed or amended by the legislature within two years of adoption except by a three-fourths votes in each house and may not be vetoed by the governor.

This proposal for indirect initiative has been passed by the Senate several times. The most recent Senate vote was unanimously in favor of this form of indirect initiative. Since then, the membership of the Senate has changed by only one member. Many, therefore, assumed that the Senate would pass this bill and reiterate its traditional position. However, if that is done, the probability is that the bill will once again languish in the House of Representatives. In effect, your Committee could plow the same ground and deepen the rut that the Senate and House of Representatives have been in for many years, but nothing would be accomplished.

Your Committee recognizes that the opposition to initiative, both from those testifying against this bill and from members of the other chamber, is based upon the good faith belief that the legislative process is a better way to enact laws and propose constitutional amendments; and to the extent that initiative circumvents this process, the results by initiative are likely to be inferior.

Since the House of Representatives has never amended and returned a Senate initiative bill, the two chambers have not had an opportunity to discuss possible compromises in a conference committee. Until such a dialogue occurs, the stalemate is likely to persist.

Therefore, your Committee decided to use this bill as a vehicle to propose a compromise on the issue of initiative. The basic assumption of this proposed compromise is that it is possible to preserve the full range of legislative responsibility and authority, while addressing many of the concerns of those who are dissatisfied with certain aspects of the legislative process.

Public Hearing: Proponents

At the public hearing on this bill, two dozen individuals and groups testified in support of the bill. Some of their comments are instructive:

- (1) "Key committees can be 'stacked' with members who can be trusted to vote as these leaders wish."
- (2) "[Citizens] need a means of placing new items on the public agenda and of making their needs known without having to create disruptions in the rest of the system."

- (3) "They need a formal means of providing feedback on important issues rather than simply approving personalities at the polls."
- (4) "[Voters] need . . . a means of breaking legislative log-jams when the legislature becomes incapable of action."
- (5) "It provides a much needed 'safety valve' against legislative gridlock."
- (6) "It takes only a relatively small group of politicians in key positions to subvert the will of the majority of the people."

Upon reflection, it is clear to your Committee that a significant component of the support for indirect initiative comes from people who are dissatisfied because a proposal they support did not get a full floor vote in both the House and the Senate. Perhaps the chairperson decided not to schedule their favorite bill. Alternatively, it may have been heard and killed by a committee which the proponents believe was comprised of members who did not reflect the sentiment of the full Senate or House of Representatives.

The number of bills that may fit into these two categories is legion. They are often legislative perennials: death penalty, parental consent, lottery, gun control, and tort reform.

These issues keep coming back, in part, because there is not a floor vote in each house to give the feeling of resolution.

Unfortunately, these familiar issues tend to become the focus of public attention and the perception of the legislative process is disproportionately influenced by their "incomplete" handling. The result is a public perception that the legislature "doesn't do anything" and "can't make a decision." While this perception is exaggerated, it cannot be ignored.

Any compromise, at a minimum, must address the perceived problem resulting from the demise of controversial issues by action of a chairperson or in committee.

Public Hearing: Opponents

At the public hearing on this bill, the opponents focused on the strengths of the legislative process and its potential for deliberative decision making. Some of their comments were:

- (1) "If the current government process is lacking, then it should be restructured to satisfy those concerns . . ."
- (2) "We elect our legislators to represent us. What this measure says is that legislators are not doing their job . . ."
- (3) "This measure will allow emotional issues to dictate policy, rather than logic, effectiveness, and cost."
- (4) ". . . an unnecessary duplication of the cost and effort of the legislative process."
- (5) "The use of initiative undermines the integrity of the representative system and leads to an intense anxiety among the voters who on the average, cannot be expected to completely understand the details of complex issues. Our representative system of government was created to allow for efficient and effective legislation . . ."
- (6) "Use of the initiative process completely bypasses the elected representatives who are trained and who have staffs to do the detail work necessary."
- (7) "An example is Nukoli'i which held up the development of a major hotel . . . before the people finally woke up and reversed it."
- (8) "In practice, this [legislative] process has been refined to permit the greatest amount of public comment in the form of personal letters, phone calls, visits, and petitions, as well as testimony at hearings held under strict guidelines that will insure ample public participation."
- (9) ". . . we need to reinforce and strengthen, rather than dilute, the process of representative government."
- (10) ". . . initiative petitions, direct or indirect, [have] not necessarily improved democratic government in the jurisdictions that permit them. If anything, it has tended to weaken the resolve of legislators to take on the heated issues."
- (11) ". . . something a small self-interest group wants in order to vent its frustration over its inability to convince the majority of lawmakers . . ."

From the perspective of opponents, any compromise should preserve, to the fullest possible extent, the legislative responsibilities.

The Compromise

Your Committee has structured a compromise which seeks to meet the needs of both the bill's proponents and its opponents.

The compromise allows the public to force the legislature to take a floor vote in each chamber or, alternatively, have the matter placed on the ballot. This addresses concerns about powerful chairpersons and unrepresentative committees.

Your Committee notes that there is virtually no criticism of the legislative process in instances where the full membership of both chambers votes on an issue.

This compromise also preserves the full range of legislative options. Unless the legislature lets an issue be put onto the ballot by failing to address it, the legislative process remains intact. There will be no question of how any legislator stands on those issues that for one reason or another are not put on to the ballot.

Before addressing the salient features of the proposed compromise, it must be recognized that this is a new approach. Clarifications and refinements will be needed, even if there is widespread support for the concept. It is hoped that this proposal will be given strict scrutiny by the House of Representatives, but not just to nitpick. As a constitutional amendment, it is broadly written and anticipates subsequent enactments to fill in many particulars. These supplemental enactments will be both in legislation, which can be "initiated" if the legislature delays, and in changes to the operating rules of the two houses. The constitutional amendment itself is not intended to answer every possible formulation of "what if . . . ?"

This compromise does not mean the Senate is less supportive of indirect initiative. It merely represents our recognition that reasonable people of good intent can disagree on this issue. We would like to find the common ground that surely must exist so that the current process can be enhanced and public participation given a new dimension.

Salient Features of the Compromise

The following are some of the salient features of the substantially revised proposal:

- (1) The number of signatures required has been reduced by 50%, from ten percent to five percent. Since the potential for legislative intervention is increased, there is less reason to be concerned that the process will clutter up the ballot. If the primary effect is to force floor votes, we should make the process relatively easy. At least five states use this percentage for statutory initiatives, including California. They average few initiatives each election. California only had a dozen such initiatives on the 1988 ballot. Certainly the legislature can accommodate a dozen floor votes on controversial issues.
- (2) Constitutional amendments may not be initiated by the new process. This is necessary in order to alleviate the concern that the initiative process will be used to undo the compromise that this bill attempts to achieve.
- (3) If the legislature explicitly passes the initiative, even in an amended version, the initiative would be superseded and extinguished. The legislature would make this substitution explicit, presumably in the committee report, thus taking a stand on the issue and achieving the accountability that this bill attempts to buttress.
- (4) The legislature can explicitly kill an initiative by defeating it in a floor vote. Again, this would be made explicit by the committee report. This preserves the legislative role as a bulwark against potentially divisive or overreaching initiatives and patently oppressive or unconstitutional initiatives. Needless to say, legislators will rarely use this option if the initiative enjoys significant public support.
- (5) Additional subjects have been excluded from consideration by the initiative process. The most controversial exclusion is of initiatives affecting land use. Those who oppose this exclusion point out that since the legislature can override the initiative, the exclusion is not needed. Proponents reply that the issue of land use initiatives is so controversial in its own right that inclusion of this prohibition is necessary to avoid losing the whole package. Both are correct. In the end, it was decided to take the more conservative approach. Even with the added exclusions, the public will have ample opportunity to "try out" the new system. When and if experience allays some of the concerns, it will be possible to reconsider the exclusions. It is better to begin the journey than argue endlessly about which foot to start with.

Conclusion

Some believe that the subject of initiative will continue to be deferred until the next constitutional convention, because an initiative proposal asks the legislature to confess to nonfeasance or worse. These voices suggest that the legislature is incapable of viewing its own procedures and performance from the public's perspective and that we will inevitably maintain that we always do an exemplary job. Such sentiment fails to understand that we are not isolated behind marble walls far from our constituents. We live, work, and play alongside our constituents every day. If anyone is in a position to see both sides of this issue, it is the part-time citizen legislator.

Deferral to a constitutional convention is not in anyone's interest. Opponents risk being saddled with a more direct form of initiative that is, from their perspective, far more onerous than anything introduced in the legislature. Proponents may find themselves disappointed for another decade: (1) if the public declines to call for another constitutional convention, or (2) if initiative is again narrowly defeated, or (3) if it is proposed by the convention but fails to garner the "super majority" requirement for electoral ratification.

It is fitting that those of us with the experience and deep personal commitment to the legislative process should strive to overcome our reasonable differences and embrace, however tentatively it seems to some, an enhanced role in governance for the average citizen. We cannot forget that Article I, Section 1 of the Constitution of the State of Hawaii states:

"All political power of this State is inherent in the people and the responsibility for the exercise thereof rests with the people. All government is founded on this authority."

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 104, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 671 Judiciary on S.B. No. 133

The purpose of this bill is to include in the criteria for extended terms of imprisonment those defendants who commit offenses against the mentally ill, developmentally disabled or mentally retarded, and children under the age of ten.

Your Committee received testimony in support of the bill from the Attorney General, State Planning Council on Developmental Disabilities, and Commission on Persons with Disabilities.

The Office of Public Defender were concerned that the bill is overinclusive, because unlike persons with certain physical disabilities, persons with certain mental or developmental problems are not easily identified. The Office of the Public Defender pointed out that: (1) the mentally ill are not easily categorized and some, with medication, are able to function normally within society; (2) oftentimes seeing a person with developmental disabilities is not enough to defer knowledge of those disabilities; and (3) there are many behavioral symptoms associated with people with mental retardation, which vary in degree and not always easily recognizable. Therefore, to infer that a defendant knew or reasonably should have known that a person is mentally ill, developmentally disabled, or mentally retarded may unfairly result in the imposition of a jail term.

Your Committee finds that there are sufficient safeguards to protect the defendant from an unfair imposition of an extended jail term. Under the bill, it is still the prosecution's burden to prove the defendant's state of mind, that he knew or should have known that a person falls within the categories, and the court is required to make such a finding before imposing an extended term. Clearly, the court would not make such a finding in the case of an individual with developmental disabilities or mental retardation whose behavioral symptoms did not manifest themselves at the time of the offense. It would appear to your Committee that it would be a tougher case for the prosecution as opposed to the defense in those situations where the victim's condition was not self-evident or where the offender, due to his lack of previous contact with persons suffering mental retardation or disability, could not have known of the victim's condition.

Your Committee amended the bill to delete reference to the "mentally ill" because of the Office of the Public Defender's concern that the term is overinclusive. Your Committee acknowledges that the mentally ill individual cannot be easily categorized and that there are mentally ill persons, who with medication and ongoing treatment, are able to function normally within society, such that inclusion of the "mentally ill" category may be overbroad.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 133, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 672 Judiciary on S.B. No. 140

The purpose of this bill is to allow the release of medical records indicating that a person has HIV infection, AIDS related complex or AIDS, when the release is made for the purpose of enforcing the provisions of Chapter 587, Hawaii Revised Statutes, the Child Protective Act. The bill also makes a clarifying amendment regarding mandatory reporting to the department of human services in cases alleging domestic abuse involving a minor family or household member.

Your Committee amended this bill to correct nonsubstantive drafting errors.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 140, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. 140, S.D. 2.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 673 Judiciary on S.B. No. 159

The purpose of this bill is to require moped operators to be licensed effective July 1, 1992.

Your Committee finds that a person who operates a moped should be knowledgeable and skilled in the operation of this type of vehicle. Requiring moped operators to be licensed will reduce their hospitalization costs and, more importantly, save lives.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 159, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 674 Judiciary on S.B. No. 689

The purpose of this bill is to amend Section 325-16, Hawaii Revised Statutes pertaining to when consent is not required to test a patient's body fluids or tissue for the presence of Human Immunodeficiency Virus. More specifically, the bill:

1. Reformulates the provision regarding testing where the patient is unable to give consent or where the patient's HIV status is necessary for diagnostic or treatment purposes.

2. Add a new paragraph which authorizes a physician to order, without consent, the HIV test of a patient, if the physician determines that a health care or emergency service worker may have been affected due to documented exposure to a patient's blood or bodily fluid. The bill also establishes procedures that must be followed.

3. Provides that the results of HIV tests that are taken without consent for the diagnosis or treatment of the patient or for the safety of health and emergency care workers shall be made part of the patient's medical records.

Your Committee received testimony in support of this measure from the Honolulu Police Department, Healthcare Association of Hawaii, Hawaii Medical Association, and the Federation of Physicians & Dentists.

Your Committee recognizes the need to balance two competing, but very important, interests: (1) the privacy rights of individuals; and (2) the rights of those individuals who risk their lives to save others. Keeping these interests in mind, your Committee amended the bill by:

1. Requiring that the treating physician determine both: (1) that the patient is unable to give consent; and (2) that the patient's HIV status is necessary for diagnosis or treatment, before nonconsensual testing under section 325-16(b)(5).

2. Deleting superfluous language in the new provision authorizing a physician to mandate an HIV test of a patient if the physician determines that a health care or emergency service worker may have been affected as a result of exposure to the patient's blood or bodily fluids.

3. Deleting the provision requiring the inclusion of HIV test results into the patient's records so that the results of mandatory testing are treated in the same manner as the results of voluntary testing.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 689, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 689, S.D. 1.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 675 Transportation and Intergovernmental Relations on S.B. No. 1956

The purpose of this bill is to grant driving privileges to persons with epilepsy on condition that the person with epilepsy, his or her personal physician, and a neurologist all affirm that the person is able to drive safely.

Your Committee heard supporting testimony from U.S. Congressman Neil Abercrombie and the Epilepsy Foundation of Hawaii.

Your Committee finds that currently, Hawaii law does not provide any guidelines for the granting of drivers' licenses to persons with epilepsy, resulting in much confusion regarding disposition of these applicants. There are presently only three states in the Union which do not have specific guidelines on driving requirements for those with epilepsy. This bill will provide the necessary standards in this difficult area and bring Hawaii in line with the majority of the states.

Your Committee has amended the bill as follows:

- (1) By changing the period within which an epileptic must be free from seizures from three months to one year.
- (2) By adding a provision concerning persons with nocturnal epilepsy.
- (3) By adding a neurologist to the medical advisory board.
- (4) By including a provision for immunity from civil liability for the person's personal physician and practicing neurologist, and members of the medical advisory board for performing their duties under this section.
- (5) By making other technical, nonsubstantive amendments for clarity and style.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of S.B. No. 1956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1956, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Blair.

SCRep. 676 Health and Human Services on S.B. No. 1584

The purpose of this bill is to allow a drug dispenser to refuse to substitute a less expensive drug if the substitution is in the best interests of the consumer. If the dispenser refuses to make the substitute, the consumer and the prescriber must be notified and the reasons for the refusal explained. The measure also requires the Drug Product Selection Board to keep records of substitution refusals and establishes procedures for the addition or removal of drug products from the State Drug Formulary of Equivalent Drug Products.

Your Committee received testimony in support of this measure from the Department of Health and the Hawaii Medical Association.

Your Committee has amended this bill by clarifying that in the removal of a drug from the Formulary which was approved through fraud or deceit, the Commissioner of the Food and Drug Administration determines whether fraud or deceit existed. The measure was also amended at the suggestion of the Department of Health to give the Department the option of establishing recordkeeping rules if and when they are required.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1584, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1584, S.D. 2.

Signed by all members of the Committee.

SCRep. 677 Health and Human Services on S.B. No. 1567

The purpose of this bill is to prohibit the sale of cigarettes from vending machines except on premises where persons under twenty-one years of age are prohibited by law from entering.

Your Committee received testimony in support of the intent of this measure to restrict sales of tobacco products to minors from the Department of Health, many health organizations, and the R.J. Reynolds Tobacco Co.

Your Committee finds that the intent of the law, to prohibit minors from buying tobacco products, is correct but the language used will in fact force the removal of all cigarette vending machines, as there are few places, if any, in the state where twenty-one-year-olds are not permitted.

To preserve the intent of the bill, your Committee has amended the language to insure that vending machines are put only in areas where they are under the supervision of an adult who will prevent any minors from buying tobacco products from them. In this way, the vending machines will continue to be available to adults but not to minors. To further insure that minors will not have access to these machines, your Committee has clarified that incorrect placement of a machine or the use of a machine by a minor are both subject to fines of \$1,000 per day of violation.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1567, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 678 (Majority) Health and Human Services on S.B. No. 1406

The purpose of this bill is to allow the Director of Health to contract with private individuals or corporations for the administration or lease of the public health facilities of the Division of Community Hospitals of the Department of Health in all counties.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1406 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Levin.
Senator Levin did not concur.

SCRep. 679 Health and Human Services on S.B. No. 1126

The purpose of this bill is to protect the consumer by implementing legal and ethical standards of care when the consumer is involved in a health care plan that requires managed care or utilization review.

Specifically, the bill requires that private review agents be certified by the Department of Commerce and Consumer Affairs which will regulate these practices.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, the Hawaii Psychiatric Medical Association, and the Pacific Institute of Behavioral Medicine.

Testimony from the Hawaii Medical Service Association and the Department of Health indicated that they had worked extensively on draft language with many of the concerned parties and recommended substitution of this draft. After reviewing this draft and considering all of the interested parties' comments and input, your Committee has amended this bill by substituting the draft. The amended bill includes a purpose statement in the statutory language, removes the certification requirement, and provides standards for review agents.

Your Committee on Health and Human Services is in accord with the intent and purpose of S.B. No. 1126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1126, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 680 (Joint) Health and Human Services and Housing and Hawaiian Programs on S.B. No. 153

The purpose of this bill is to give physically handicapped persons the right to be accompanied by a service dog in public places without extra charge for the dog. The bill further prohibits discrimination in real estate transactions because a physically handicapped person uses a certified service dog.

Your Committees received testimony in support of this measure from Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, the Hawaii Civil Rights Commission, and the Hawaiian Humane Society.

Your Committees have amended this bill by incorporating suggestions from the Commission on Persons with Disabilities to add signal dogs; remove the new definition of "physically handicapped" and use the already defined term "handicapped

status" instead; remove the certification requirement from service, guide, and signal dogs; remove the requirement for the use of a harness at all times from the list of reasonable restrictions allowable for real estate transactions; redefine "signal dog" by replacing contradictory provisions with the provision defining them as individually trained and certified by a nationally recognized signal dog organization to alert deaf persons to intruders or sounds; and by adding a new section to mandate that persons with disabilities who use the services of these dogs be permitted to reside at the quarantine station while their animal is quarantined there.

Your Committees have also made nonsubstantive amendments to correct technical drafting errors.

Your Committees on Health and Human Services and Housing and Hawaiian Programs are in accord with the intent and purpose of S.B. No. 153, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 153, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 681 (Joint) Health and Human Services and Transportation and Intergovernmental Relations on S.B. No. 1305

The purpose of this bill is to exempt designated areas in holding rooms at State airports used as in-transit lounges for international flights from the prohibition of smoking.

Your Committees received testimony in support of this measure from the Departments of Transportation and Health, the Hawaii Medial Association, the Tri-Agency Coalition, and the Tobacco Institute.

Upon further consideration, your Committees have amended the bill by requiring that these in-transit lounges be ventilated to the outside to protect other passengers and employees from secondary smoke.

Your Committees on Health and Human Services and Transportation and Intergovernmental Relations are in accord with the intent and purpose of S.B. No. 1305, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1305, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 682 Housing and Hawaiian Programs on S.B. No. 1247

The purpose of this bill is to amend Act 15, Session Laws of Hawaii 1988, to clarify provisions for the dedication to public use of rights and property developed under the Act and to extend the exemption from various provisions of law from five to ten years. The automatic repeal date is also extended for an additional five years.

Your Committee received testimony from numerous interested agencies of government and the public sector.

Your Committee finds a need to extend the application and limitations contained in the original act from five to seven years. Your Committee further finds a need to allow the Housing Finance and Development Corporation to make final land dedication decisions.

Your Committee has amended the bill to change the time periods of Section 2 from five to seven years and to make technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1247, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Nakasato.

SCRep. 683 Housing and Hawaiian Programs on S.B. No. 180

The purpose of this bill is to require that all market-priced units in a project sponsored by the Housing Finance and Development Corporation be sold to purchasers who agree to occupy the dwelling unit for a minimum of two years. The bill imposes a buy-back restriction on the transfer of units prior to the expiration of the two-year period.

Your Committee received testimony from the Housing Finance and Development Corporation, the City and County of Honolulu, the American Association of Retired Persons, Westlock, Inc., the Hawaii Developer's Council and the Hawaii Association of Realtors.

Your Committee finds that restricting the sale of units to owner-occupants is not feasible and the Housing Finance and Development Corporation is without sufficient resources to repurchase market-priced units as provided for in the bill.

Your Committee has amended the bill by deleting the entire contents of the bill and adding new language which narrows the definition of "qualified resident" as used in Chapter 201E by adding the requirement that a person have a bona fide intent to reside in the dwelling unit being purchased.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 684 Housing and Hawaiian Programs on S.B. No. 702

The purpose of this bill is to provide the trustees of the Office of Hawaiian Affairs with immunity from civil liability for acts performed as part of their official duties.

Your Committee received testimony in support of the bill from the Office of Hawaiian Affairs and finds a need to codify the doctrine of immunity as it applies to the liability of trustees performing discretionary functions and making policy decisions in the performance of their official duties.

Your Committee has amended the bill by making technical changes that have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 702, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Nakasato.

SCRep. 685 Housing and Hawaiian Programs on S.B. No. 388

The purpose of this bill is to improve the process for registration of condominium projects and to revise the procedures for the review of documents and the issuance of public reports concerning condominium projects. The bill also provides for various nonsubstantive amendments to existing horizontal property regime statutes, Chapter 514A, Hawaii Revised Statutes, for the purpose of conformance and clarity.

Your Committee received testimony in unanimous support of the bill from the Condominium Property Regime Committee of the Hawaii State Bar Association, the Hawaii Association of Realtors, the Hawaii Developer's Council and the Hawaii Real Estate Commission.

Your Committee finds that there is a need to revise the process for registration of condominium projects and the issuance of public reports by the Real Estate Commission.

Your Committee has amended the bill to substitute the word "legal" for the word "permitted" in referring to a non-conforming use in sections 1 and 10 of the bill.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 388, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Nakasato.

SCRep. 686 Housing and Hawaiian Programs on S.B. No. 393

The purpose of this bill is to establish grounds and procedure for the removal of a member of the board of directors of an association of apartment owners and to require that all boards of directors have an odd number of members.

Your Committee received testimony from the Department of Commerce and Consumer Affairs, The Real Estate Commission, the Association of Apartment Owners of Makaha Valley Plantation and the Hawaii Independent Condominium and Cooperative Owners.

Your Committee has amended the bill by making technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 393, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 687 Housing and Hawaiian Programs on S.B. No. 1248

The purpose of this bill is to allow the development of mixed uses within a Housing, Finance and Development Corporation (HFDC) sponsored project if the uses will be an integral part of the development, will help to preserve the lifestyles of project residents, or will enhance the affordability of residential units in the development.

Favorable testimony on this measure was presented by HFDC and the Honolulu Department of Housing and Community Development.

Section 201E-215, Hawaii Revised Statutes, currently allows the HFDC to develop commercial, industrial, and other uses within its housing projects if the HFDC determines that such uses can be an integral part of the development and if such uses can help to preserve the lifestyles of purchasers of residences in the development. The proposed amendment would allow the HFDC to develop commercial, industrial, and other uses within a housing project if the development of such uses will be an integral part of the development or will help to preserve the lifestyles of project residents. The bill also clarifies that the development of commercial, industrial and other uses would be allowed if such uses will enhance the affordability of housing units in the project.

The HFDC and the City and County of Honolulu anticipate developing a large number of projects in which commercial uses will be an integral part. The higher rate of return on these commercial uses would be necessary to help offset rents to be charged to tenants or to lower housing prices, thus making the projects economically feasible. The housing agencies are also undertaking the development of master planned projects, which would include the development of commercial areas, golf courses, churches, day care centers, and other uses. These will also be integral components of the master planned communities.

Your Committee has amended this measure by requiring that, when applicable, the HFDC shall compensate the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs out of revenues derived from commercial, industrial, and other uses.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1248, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 688 Housing and Hawaiian Programs on S.B. No. 1766

The purpose of this bill is to require solar water heating in residential housing constructed on state lands or with state funds.

Your Committee received testimony from the Hawaii Housing Authority, the Housing Finance and Development Corporation, the Hawaii Solar Energy Association, the Plumbing and Mechanical Contractors Association of Hawaii, Hawaiian Electric Company, Inc., the Gas Company, the Department of Business, Economic Development and Tourism, the Inter-Island Solar Supply and the University of Hawaii.

Your Committee finds from the testimony received that local conditions render the use of solar energy ineffective or impracticable in some areas and your Committee has amended the bill to provide for this contingency.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1766, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 689 Housing and Hawaiian Programs on S.B. No. 1249

The purpose of this bill is to clarify restrictions relating to repurchase and owner-occupancy of units developed by the Housing Finance and Development Corporation pursuant to Chapter 201E, Hawaii Revised Statutes.

Your Committee has amended this bill by making a technical change which has no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of S.B. No. 1249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1249, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Nakasato.

SCRep. 690 (Majority) Ways and Means on S.B. No. 592

The purpose of this bill is to set aside fuel and vehicle registration revenues collected under Chapters 243 and 248, Hawaii Revised Statutes, for deposit into a newly created Hawaii Driver's Insurance Fund, through which the statutory required minimum no-fault motor vehicle insurance benefits provided in Section 431:10C-301 are to be provided.

A hearing was held on this measure and a wide range of testimony from state agencies, insurance groups, and individuals was received.

Your Committee believes that the financial integrity of the State Highway Fund remains a vital concern to state transportation and commerce interests. Already, the Department of Transportation has warned that fiscal year 1990-1991 expenditures will exceed revenues and place Hawaii in a deficit situation that will prevent further maintenance and development of our land transportation system.

Your Committee notes that the last time the Legislature made a comprehensive change in the method of raising revenues for our land transportation system was in 1985. At that time, the Legislature reviewed and adopted a variety of registration fees and vehicle weight and fuel taxes to maintain a level of funding necessary for our road and highway needs.

Your Committee notes, however, that in the intervening years, the public has been asked to assume a greater burden for our highways and transit system. In addition to various county taxation measures, the federal government has assessed a federal fuel tax. Also, in 1990, the Legislature passed a funding scheme which could result in an increase in the sales tax to help pay for mass transit.

Your Committee concludes that it would be intolerable at this point in time to ask our citizens to accept fee and tax increases without providing a concurrent, direct benefit to the consumer.

Your Committee is cognizant of a number of related legislative measures currently under discussion and review. These measures attempt to devise a scheme for lowering the cost of motor vehicle no-fault insurance, which has continued to increase despite legislative and administrative measures to reverse the trend.

Your Committee believes that the no-fault automobile insurance industry is in need of reform. The 1991 measures introduced to achieve reform, however, suggest that it be done primarily by reducing the no-fault benefits claimants are entitled to receive under our present no-fault system. Moreover, these proposed measures do not correct other inherent inequities in the system, such as the fact that law-abiding drivers will continue to subsidize illegal, uninsured motorists. The Insurance Commissioner has estimated that about twenty percent of all cars in Hawaii are uninsured; thus, in 1989, there were 855,057 motor vehicles in Hawaii, of which 171,000 were without insurance.

Your Committee believes that the public will be more accepting of increases in registration fees and fuel taxes if these increases not only correct some of the inherent inequities but, more importantly, provide a substantial reduction in the high cost of no-fault motor vehicle insurance premiums. The Insurance Commissioner informs your Committee that the current annual average cost for no-fault coverage is \$721.00, an amount which your Committee considers disgracefully inflated.

Lower No-Fault Costs. Your Committee notes that levying a tax or a charge on a gallon of gas for no-fault insurance may not be desirable if the charge is financially prohibitive. Using the 1990 Report of the Insurance Commissioner of Hawaii for Claims and Benefits Paid, your Committee estimates that the minimum no-fault coverage as required under Section 431:10C-301 could be provided by a gas tax increase of 2 cents.

In addition, an annual \$10 state driver license fee and a \$100 motor vehicle registration fee twice a year will be collected to reduce the current \$721 average cost per motor vehicle to \$217.49, a reduction of seventy percent.

The Hawaii Drivers Insurance Fund will provide only the minimum no-fault coverage; any coverage in excess of the statutory minimum must be purchased through private carriers. Additional coverage includes collision, comprehensive protection, and personal injury or liability protection above the minimum statutory requirement.

Under this analysis, your Committee believes that a "pay as you go" Hawaii Drivers Insurance Fund would benefit the consumer tremendously. It is the intent of the Legislature that the administration and operation of the Fund be contracted out; however the authority to set the fees and taxes shall be retained by the Legislature.

Highway Fund. With the added benefit of a "pay as you go" no-fault proposal, your Committee feels that the Administration's proposed fuel tax increase is less objectionable. The Administration is also suggesting a variety of fee increases which it believes will protect the integrity of the Fund. Your Committee has reviewed the Administration's recommendations as set forth in the State Highway Task Force Report and is recommending their approval.

Your Committee is cognizant of the efforts of the House of Representatives to increase taxes and fees to provide revenues for the State Highway Fund. Your Committee, however, believes the Senate recommendations, which also maintain the integrity of the Fund, are more equitable in that they provide the people of Hawaii an additional benefit, a drastic reduction in no-fault insurance premiums.

As amended, the bill will accomplish the purposes discussed above by:

- (1) Establishing the Hawaii Drivers Insurance Fund into which shall be deposited moneys collected through fuel taxes, a state driver's license fee, and vehicle registration fees;
- (2) Establishing a responsible and conservative premium-to-surplus ratio in accordance with generally accepted insurance practices in the State of Hawaii;
- (3) Assessing a surcharge for high risk drivers to be collected at the time the motor vehicle is registered;
- (4) Eliminating the need for State general funds to provide start up reserves for the Hawaii Driver's Insurance Fund by assessing and collecting the proposed fees for two years prior to providing the no-fault insurance coverage described herein;
- (5) Amending the state vehicle weight tax rates, fuel tax rate, and motor vehicle registration fee; and
- (6) Extending the time period for the transfer of the liquid fuel general excise taxes to the credit of the State Highway Fund.

It is the intent of your Committee that the moneys collected and deposited into the Hawaii Drivers Insurance Fund shall accumulate therein between July 1, 1991 and June 30, 1993, and shall not be available for expenditure until the accumulation period is over.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 592, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 592, S.D. 3.

Signed by all members of the Committee except Senator Levin.
Senator George did not concur.

SCRep. 691 Ways and Means on S.B. No. 546

The purpose of this bill is to appropriate moneys to continue the funding of a construction coordinator position for the Hawaii's Plantation Village project of the Friends of Waipahu Cultural Garden Park for the 1991-1993 fiscal biennium.

Your Committee finds that the continued funding of the construction coordinator position is critical to the completion of this worthwhile project which received funding support from the legislature during the 1990 session.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 546 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 692 Ways and Means on S.B. No. 1330

The purpose of this bill is to create a permanent Martin Luther King, Jr. celebration commission composed of thirteen members appointed by the governor to coordinate arrangements for the commemoration of Martin Luther King, Jr. on the third Monday of January each year.

Your Committee finds that the commemoration of Martin Luther King, Jr. and his dream has brought a sense of multi-ethnic unity to all the people of Hawaii. The theme of a non-violent approach to social and political change is worthy of the recognition proposed by this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1330, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 693 Ways and Means on S.B. No. 1462

The purpose of this bill is to appropriate \$50,000 for fiscal year 1991-1992 and \$50,000 for fiscal year 1992-1993 to be expended by the department of education to continue the moving image preservation project.

Your Committee finds that film, video material, and moving images are important forms of historical records and should be given adequate protection and preservation to allow continued access to their use.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1462 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 694 Ways and Means on S.B. No. 1801

The purpose of this bill is to appropriate \$100,000 for fiscal year 1991-1992 and \$100,000 for fiscal year 1992-1993 to be expended by the department of business, economic development, and tourism to continue the Hawaii International Film Festival's outreach program.

Your Committee finds that the Hawaii International Film Festival has successfully reached diverse populations throughout the State and has promoted culturally significant films to further a better understanding among the people of Asia, the Pacific, and the United States.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1801 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 695 Ways and Means on S.B. No. 925

The purpose of this bill is to appropriate \$1,500,000 to the department of land and natural resources for fiscal years 1991-1992 and 1992-1993, respectively, for the closure of the Kealakehe landfill.

Your Committee finds that this bill will enable the county of Hawaii to close the Kealakehe landfill, which represents a substantial health and environmental hazard and is unsuitable to the needs of the area.

Your Committee has amended this bill by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Changing the expending agency for the sums appropriated from the department of land and natural resources to the county of Hawaii; and
- (3) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 925, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 925, S.D. 2.

Signed by all members of the Committee.

SCRep. 696 Ways and Means on S.B. No. 1273

The purpose of this bill is to establish a forest stewardship program to assist private landowners in managing lands that are not now recognized as potential natural area reserves.

Your Committee agrees that there is a great need to provide incentives for the protection and restoration of important watersheds, timber resources, fish and wildlife habitats, and isolated populations of rare and endangered species of plants and animals, and that this program will provide some of those needed incentives.

Your Committee has amended this bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1273, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1273, S.D. 2.

Signed by all members of the Committee.

SCRep. 697 Ways and Means on S.B. No. 1378

The purpose of this administration bill is to authorize the board of land and natural resources to provide state matching funds (\$2 state: \$1 private) to manage private lands dedicated to conservation under the natural area partnership program. This bill also appropriates \$500,000 to the credit of the natural area reserve fund to finance grants under the program.

Your Committee finds that many privately owned forested lands not only protect key groundwater recharge areas in the State, but they also provide a habitat for plants and animals unique to Hawaii. Due to the absence of an effective mechanism to manage and protect these lands, less than one fourth of Hawaii's natural forests remain intact and nearly half of the surviving native species in the State are threatened with extinction. Your Committee finds that the remaining natural areas of the State under private ownership must be protected to ensure their preservation. This bill establishes a program to manage lands dedicated in perpetuity through a transfer, of fee title or a conservation easement, to a cooperating entity.

Your Committee has amended this bill by changing the amount to be appropriated in section 10 of the bill to a blank amount.

Your Committee has further amended this bill by clarifying the funding obligations of the parties involved in any partnership to manage private natural area reserves. The term "matching funds", which generally refers to an obligation on behalf of participating parties to contribute equal shares, seems to conflict with the rate of funding described in the illustration: "\$2 state: \$1 private)". To clarify the conditions of the partnership, your Committee has replaced these terms with language specifying that the board may provide funding at a ratio of two to one over private funds dedicated toward the management of any private natural area reserve.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1378, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1378, S.D. 2.

Signed by all members of the Committee.

SCRep. 698 Ways and Means on S.B. No. 1523

The purpose of this bill is to require that thirty per cent of all royalties collected by the State from geothermal resources be paid to the county in which the mining operations covered under a state geothermal resource mining lease are situated.

Your Committee finds that a significant amount of any geothermal royalties received by the State should be set aside to mitigate negative impacts experienced in the geographic area where the resource is located. The ability of counties to accommodate and respond to the impacts of geothermal development is directly correlated with the availability of sufficient revenues.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1523, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 699 Ways and Means on S.B. No. 1525

The purpose of this bill is to establish a program of the office of state planning under the leadership of an additional deputy director of marine and coastal affairs, provide for an advisory council to enable effective implementation of the Hawaii ocean resources management plan, and repeal the existing ocean resources management law.

Your Committee finds that placement of the program within the office of state planning will make the development and implementation of the ocean resources management plan more efficient and less costly.

Your Committee has amended this bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1525, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1525, S.D. 2.

Signed by all members of the Committee.

SCRep. 700 Ways and Means on S.B. No. 353

The purpose of this bill is to impose a \$5 surcharge on all vehicle registration and driver's license renewals for motorcycles, motor scooters, and similar vehicles and the operators of such vehicles.

The moneys derived from the surcharge are to be expended by the University of Hawaii community college employment and training office for the operation of a drivers' education program for operators of motorcycles, motor scooters, and similar vehicles.

Your Committee has amended this bill by changing the effective date from July 1, 1991 to July 1, 1992 and by making technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 353, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 353, S.D. 2.

Signed by all members of the Committee.

SCRep. 701 Ways and Means on S.B. No. 355

The purpose of this bill is to appropriate funds for the construction of the Koloa/Poipu Bypass, provided that the county of Kauai provides matching funds on a dollar for dollar basis.

Your Committee finds that the Koloa/Poipu area holds twenty-four per cent of Kauai's residential population and thirty-five per cent of the visitor population. A new residential project is expected to add another ten per cent to Kauai's population. There is currently one narrow road which serves the entire South Shore of Kauai making emergency evacuation procedures difficult. Your Committee finds that this project will relieve traffic congestion on the existing highway.

Your Committee has amended the bill by changing the appropriation to a blank amount, and by making a technical nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 355, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 355, S.D. 2.

Signed by all members of the Committee.

SCRep. 702 Ways and Means on S.B. No. 440

The purpose of this bill is to provide a general excise tax exemption for gross proceeds received from the sale of goods or services to the counties. This exemption would direct more moneys to provide essential county services and lessen the need for state grants-in-aid to the counties.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 440, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 440, S.D. 1.

Signed by all members of the Committee.

SCRep. 703 Ways and Means on S.B. No. 442

The purpose of this bill is to transmit to the counties all fines in excess of collection costs received by the district courts as forfeiture of bail for violations of the state and county traffic and parking laws and ordinances.

Your Committee finds that the transfer to the counties of the fines collected within the counties is an appropriate means of reimbursing the counties for their share of the costs of law enforcement.

Your Committee has amended this bill by making technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 442, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 442, S.D. 1.

Signed by all members of the Committee.

SCRep. 704 Ways and Means on S.B. No. 472

The purpose of this bill is to transfer to the counties all public service tax revenues in excess of the amount that would have been realized at a rate of four per cent.

Your Committee finds that, since counties provide municipal services to the public service companies, it is fair and reasonable for these firms to contribute their share of the costs of county government. This is especially so in view of the fact that the public service companies affected by this bill are exempt from real property taxes under current law.

Your Committee has amended this bill to make a technical nonsubstantive change for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 472, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 472, S.D. 1.

Signed by all members of the Committee.

SCRep. 705 Ways and Means on S.B. No. 502

The purpose of this bill is to provide special license plates to residents of Hawaii who are former prisoners of war, or survivors of the December 7, 1941 attack on Pearl Harbor.

Your Committee has amended this bill by:

- (1) Requiring the director of finance to charge a fee for special license plates by adding the phrase: "for a fee" on page 1, line 12;
- (2) Directing the director of finance to design a plate that is readily identifiable and distinguishable under actual traffic conditions;
- (3) Allowing only one vehicle for each qualified applicant to have the plates; and
- (4) Providing an appropriation of \$1,400.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 502, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 502, S.D. 2.

Signed by all members of the Committee.

SCRep. 706 Ways and Means on S.B. No. 539

The purpose of this bill is to recognize certain war veterans for their heroic deeds and unselfish service to our country by issuing special license plates to residents of Hawaii who are recipients of the Purple Heart.

Your Committee amended this bill by:

- (1) Requiring the director of finance to charge a fee for special license plates by adding the phrase: "for a fee" on page 1, line 12;
- (2) Directing the director of finance to design a plate that is readily identifiable and distinguishable under actual traffic conditions;
- (3) Allowing only one vehicle for each qualified applicant to have the special plates; and
- (4) Providing an appropriation of \$1,400.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 539, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 539, S.D. 2.

Signed by all members of the Committee.

SCRep. 707 Ways and Means on S.B. No. 1222

The purpose of this bill is to amend the liquor licenses law by adding back the provision that the transferor must present to the issuing agency a tax clearance certificate from the director of taxation and the Internal Revenue Service in order for a liquor license to be issued to the transferee. This bill would force the transferor to obtain a tax clearance and to pay any delinquent taxes, penalties, and interest owed to the state or the federal governments before transfer.

According to the Internal Revenue Service, states that do not require a transferor tax clearance run into the problem of marginal operators who attempt to avoid paying taxes. Corporations are formed, taxes become due, the corporations are left as shells, and new corporations are formed to carry on the liquor businesses.

Your Committee has made technical, nonsubstantive amendments to this bill for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1222, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1222, S.D. 1.

Signed by all members of the Committee.

SCRep. 708 Ways and Means on S.B. No. 1223

The purpose of this bill is to amend the fuel tax law by:

- (1) Reducing the statute of limitations period for the monthly fuel tax returns filed under chapter 243, Hawaii Revised Statutes, from five years to three years from the prescribed filing date or the date the return is filed, whichever is later;

- (2) Allowing, in the case of false or fraudulent fuel tax returns or statements, or the failure to file tax returns, the fuel tax to be assessed at any time;
- (3) Allowing the extension of time for the assessment, levy, collection, or credit of the fuel tax when a written agreement is entered into by the taxpayer and the department of taxation before the expiration of the statute of limitations;
- (4) Providing that statements filed under chapter 243, Hawaii Revised Statutes, containing information on the number of gallons of fuel manufactured, refined, sold, or used by a distributor be public records; and
- (5) Amending the definition of "person" to include trusts, estates, and partnerships.

Your Committee finds that this bill provides for the enforcement of the fuel tax law in a more efficient and effective manner that is consistent with other tax laws.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1223 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 709 Ways and Means on S.B. No. 1226

The purpose of this bill is to require the county or the city council to notify the department of taxation of any fuel tax changes within ten days after adoption of the resolution to change the tax. Additionally the bill extends the effective date for resolutions concerning fuel tax changes to be effective on the first day of the second month following the date of the adoption of the resolution.

Your Committee finds that notifying the department of taxation of county fuel tax changes within ten days of the adoption of the resolution and extending the earliest effective date to the first day of the second month after the change will give the department more time to notify the public of county fuel tax changes and to revise the applicable tax forms as the tax changes dictate.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1226 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 710 Ways and Means on S.B. No. 1296

The purpose of this bill is to increase, from \$50,000,000 to \$100,000,000, the total amount of special facility revenue bonds that the department of transportation is authorized to issue.

The department of transportation has noted that this increase is necessary to assist the interisland carriers in meeting the funding requirements for the construction of cargo and hangar facilities and other future facilities needs.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1296 recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 711 Ways and Means on S.B. No. 1847

The purpose of this bill is to appropriate funds for the Honolulu police department to implement and upgrade its telecommunications system.

Your Committee finds that the present communications system is overloaded, is cumbersome to operate, does not permit field units to communicate with each other, and provides poor coverage in valleys and high rise areas. There are insufficient non-interfering frequencies available in the present communications band to resolve these problems.

Your Committee further finds that upgrading the Honolulu police department's telecommunications system will enhance public and police officer safety and is essential to the health, safety, and welfare of the people of Hawaii.

Your Committee has amended this bill by changing the appropriation to a blank amount and by making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1847, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1847, S.D. 1.

Signed by all members of the Committee.

SCRep. 712 Ways and Means on S.B. No. 246

The purpose of this bill is to require persons who are liable for the costs of hospitalization at psychiatric facilities under the jurisdiction of the State or the counties, or psychiatric facilities that derive more than fifty per cent of their revenues from the general fund of the State, to make reasonable efforts to utilize any available insurance coverage, including, as appropriate, private insurance, Medicare, and Medicaid, to offset these costs.

Your Committee finds that this bill will encourage the use of available insurance coverage to pay for the costs of psychiatric services and help to offset some of the costs being incurred by the State and the counties for the same.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 246 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 713 Ways and Means on S.B. No. 372

The purpose of this bill is to continue the family center project for another year and to emphasize the importance of literacy programs for the centers. The bill increases the number of family centers and provides additional appropriations for this project.

Your Committee finds that delivery of educational and social programs should focus on strengthening families by building on the family's strengths, develop planned and coordinated preventative strategies, build on existing programs and offer a challenge to defined new partnerships, and enhance the quality of life for Hawaii's people.

Your Committee has amended this bill by:

- (1) Changing the sums appropriated to blank amounts;
- (2) Changing the amendment to section 8 to provide for the amendments to sections 5 and 7 to take effect on July 1, 1991. Otherwise the appropriation for fiscal year 1991-1992 in the new section 6 would not take effect until July 1, 1992;
- (3) Providing a July 1, 1991 effective date for the Act; and
- (4) Making technical, nonsubstantive changes for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 372, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 372, S.D. 1.

Signed by all members of the Committee.

SCRep. 714 Ways and Means on S.B. No. 401

The purpose of this bill is to expand the Open Doors tuition subsidies program to provide assistance to a minimum of fifteen hundred children from ages three to five by 1993. The bill appropriates funds to the office of children and youth to carry out the program.

Your Committee agrees with the findings of the Committee on Health and Human Services that without financial assistance for early childhood education and care services, many young children from low to moderate income families will be deprived of developmental opportunities that are available to those children of families that can afford such services. Currently, the tuition subsidies program assists about six hundred children. As there are approximately twenty-three hundred children who are not currently enrolled in early childhood programs, the expansion authorized by this bill is urgently needed.

Your Committee has amended this bill by leaving the appropriation amount blank and by making technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 401, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 401, S.D. 2.

Signed by all members of the Committee.

SCRep. 715 Ways and Means on S.B. No. 402

The purpose of this bill is to appropriate funds to continue the Healthy Start and Families for R.E.A.L. (resources and early access to learning) programs.

These programs enable parents of high risk families with young children to cope with their responsibilities in nurturing their children by providing supportive interventions for the family. The demonstration program in the Healthy Start Program to be funded by this bill will train high risk mothers of infants and toddlers to be more attentive to their children, meet emotional needs, interact with their children to foster language development, and engage in specific activities aimed at promoting positive gains in all areas of child development.

The Families for R.E.A.L. program which is currently integrated in the parent-community networking center at Pearl City Highlands assists families to better handle the misbehavior of young children, normal stages of child development, and transitions. This bill would allow the expansion of this program to seven additional program sites.

Your Committee has amended this bill by leaving the appropriation amount blank and by making several technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 402, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 402, S.D. 2.

Signed by all members of the Committee.

SCRep. 716 Ways and Means on S.B. No. 420

The purpose of this bill is to ensure that a full range of medical services remains available to Hawaii's medicaid recipients. Low reimbursement rates for Medicaid patients reduce this availability when private practitioners drop-out of the program or reduce their Medicaid patient load.

Your Committee amended this bill by raising the rate of payment to sixty instead of sixty-five per cent of customary fees.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 420, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 420, S.D. 2.

Signed by all members of the Committee.

SCRep. 717 Ways and Means on S.B. No. 430

The purpose of this bill is to appropriate funds for the provision of home-based services to infants and toddlers with special developmental needs and their families by a mobile therapy team.

Although the department of health, for many years, has supported public and private infant development programs which offer center-based early intervention services to developmentally disabled infants and toddlers, there exists an unserved and underserved population that is unable to attend a center-based program. The mobile therapy team provided by this bill addresses this population.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1612, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1612, S.D. 2.

Signed by all members of the Committee.

SCRep. 718 Ways and Means on S.B. No. 487

The purpose of this bill is to supplement and enhance the implementation of the special supplemental food program for women, infants, and children.

Your Committee amended this bill by changing the appropriated amount to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 487, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 487, S.D. 1.

Signed by all members of the Committee.

SCRep. 719 Ways and Means on S.B. No. 648

The purpose of this bill is to create a demonstration project in the Waianae Coast area to test the effectiveness of decentralizing child welfare services by establishing a special child welfare services unit in Waianae. The demonstration project emphasizes family support and will include an emergency response team and case management team to respond quickly to all requests for child welfare services. The department of human services shall staff the special unit by transferring now-unfilled positions for social workers and other professionals from the child protective services program to the demonstration project.

The department is also required to submit a report on the progress of the demonstration project to the legislature before the 1992 session and a final evaluation report prior to the convening of the 1993 session. The bill also appropriates funds for the project.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 648, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 720 Ways and Means on S.B. No. 693

The purpose of this bill as received is to appropriate funds as the State's share in obtaining federal matching funds for two hundred additional persons above and beyond the three hundred persons currently being served by the nursing home without walls program.

Upon further consideration, your Committee has amended the bill to continue the program at current levels of service, and has appropriated the funds to accomplish this aim.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 693, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 693, S.D.2.

Signed by all members of the Committee.

SCRep. 721 Ways and Means on S.B. No. 733

The purpose of this bill is to provide increased compensation and benefits for early childhood educators in child care centers and family child care homes.

Your Committee finds that child care in Hawaii is in a crisis: more and more child care centers and family child care homes are being forced to close their doors due to lack of qualified staff as fewer individuals are choosing to enter or stay in the field of early childhood education/care because of the dismal earning prospects. Your Committee further finds that this situation places the children of workforce families in serious jeopardy.

Your Committee has amended this bill by:

- (1) Changing the appropriation to a blank amount;
- (2) Correcting the title of the designated expending agency from the "executive office on children and youth" to the "office of the governor" to reflect the departmental level for purposes of expending moneys; and
- (3) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 733, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 733, S.D. 2.

Signed by all members of the Committee.

SCRep. 722 Ways and Means on S.B. No. 963

The purpose of this bill is to appropriate funds to continue the provision of support services to the Waianae coast coalition for human services.

Your Committee amended this bill by changing the appropriated amount to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 963, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 963, S.D. 2.

Signed by all members of the Committee.

SCRep. 723 Ways and Means on S.B. No. 1120

The purpose of this bill is to appropriate \$552,335 and \$634,270 to the department of health for fiscal years 1991-1992 and 1992-1993, respectively, to provide outreach to injection drug users and the sexual partners of injection drug users to prevent the transmission of the human immunodeficiency virus.

Your Committee finds that this bill will allow the department of health to continue to provide outreach to injection drug users and their sexual partners through the CHOW (community health outreach worker) project, which has been funded by a grant from the National Institute on Drug Abuse since 1989. It is your Committee's understanding that federal support for the CHOW project will end in August of 1991, and that the project will be terminated if other sources of funding cannot be secured by this date.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1120, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1120, S.D. 1.

Signed by all members of the Committee.

SCRep. 724 Ways and Means on S.B. No. 1157

The purpose of this bill is to authorize the issuance of refunding special purpose revenue bonds to refund bonds authorized in Act 14, Special Session Laws of Hawaii 1981 and Act 226, Session Laws of Hawaii 1984.

Your Committee finds that Acts 14 and 226 relate to the authorization of special purpose revenue bonds to assist the Evangelical Lutheran Good Samaritan Society in providing a health care facility to the general public. The Evangelical Lutheran Good Samaritan Society, a nonprofit corporation, owns the Pohai Nani Good Samaritan Kauhale, a retirement and health care facility in Kaneohe, Oahu, which has been providing residential and health care services to the elderly for the past twenty-seven years.

Your Committee further finds that the issuance of refunding special purpose revenue bonds under this bill is in the public interest and for the public health, safety, and welfare.

Your Committee has made technical nonsubstantive amendments to this bill to clarify the reference to Act 14.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1157, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 725 Ways and Means on S.B. No. 1349

The purposes of this bill are to extend the nonmedicaid personal care services program for another four years and to change the expenditure ceiling for the personal care services program to the amount authorized by the federal Health Care Financing Administration.

Your Committee finds that an extension of the nonmedicaid personal services program is necessary because the program only began providing services this year and additional time is required to demonstrate its effectiveness. The change to the expenditure ceiling is necessary since the personal care services program must be in compliance with the federally approved cost ceiling in order to continue operations.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1349 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 726 Ways and Means on S.B. No. 1351

The purpose of this bill is to establish within the state treasury the Randolph-Sheppard revolving account, which is to consist of vending machine income generated by federal, state, and county operations; any other legally accepted source of income; and donations.

Your Committee finds that the Randolph-Sheppard revolving account will be used by the department of human services for:

- (1) The establishment and maintenance of a retirement or pension plan for health insurance contributions and the provision of paid sick leave and vacation time for blind vendors;
- (2) The maintenance and replacement of equipment used in the blind vending program;
- (3) The purchase of new equipment to be used in the blind vending program; and
- (4) The provision of specific management services.

Your Committee has amended this bill by:

- (1) Establishing the Randolph-Sheppard revolving account, rather than requiring the department of human services to create and maintain the same;
- (2) Clarifying that the revolving account is to be used by the department for the maintenance, replacement, and purchase of equipment used or to be used in the blind vending program; and
- (3) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1351, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1351, S.D. 1.

Signed by all members of the Committee.

SCRep. 727 Ways and Means on S.B. No. 1353

The purpose of this bill is to amend the expenditures ceiling for nursing home without walls services to the amount authorized by the federal Health Care Financing Administration.

Your Committee finds that this measure will allow the department of human services to plan and manage client expenditures on a more predictable basis.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1353, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1353, S.D. 1.

Signed by all members of the Committee.

SCRep. 728 Ways and Means on S.B. No. 1354

The purpose of this bill is to repeal the workfare program because the JOBS program serves the same primary target group and allows for a federal match for many of the expenses that will be incurred in the delivery of these services.

Repealing the workfare program will also provide a more efficient and effective program to meet the needs of AFDC recipients who are striving to become financially self-sufficient.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1354 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 729 Ways and Means on S.B. No. 1404

The purpose of this bill is to supplement the private efforts at combatting illiteracy by creating a fund to support further development of new family literacy models, to develop innovative strategies for increasing family literacy, and to insure that there are continuing resources to promote a literate Hawaii.

Your Committee finds that there are high numbers of functionally illiterate individuals in the State of Hawaii and that there is a need to develop a statewide system of family literacy education geared to break the intergenerational cycle of undereducation. Your Committee finds that efforts must be made to cure the problems of poverty and accompanying illiteracy.

Your Committee has amended this bill to make technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1404, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1404, S.D. 2.

Signed by all members of the Committee.

SCRep. 730 Ways and Means on S.B. No. 1498

The purpose of this bill is to implement the concept of gap budgeting to provide financial incentives for recipients in the Aid to Families with Dependent Children program to participate in and remain in the JOBS program. "GAP" budgeting allows families to receive a greater amount of income without losing their eligibility for family assistance.

Your Committee amended this bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1498, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1498, S.D. 2.

Signed by all members of the Committee.

SCRep. 731 Ways and Means on S.B. No. 1516

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in the sum of \$39,000,000 to assist not-for-profit corporations that provide health care facilities to the general public.

Your Committee heard testimony on this bill from Ms. Ruth Ono, Vice President of the Queen's Medical Center. Ms. Ono testified that the legislative authorization of \$39,000,000 in special purpose revenue bonds would enable Queen's to: secure tax-exempt financing of construction and the purchase of equipment for a skilled nursing facility; refinance the Halawa laundry construction project; and acquire other long-term care facilities in fiscal year 1993.

Your Committee finds that the issuance of special purpose revenue bonds under this bill is in the public interest and for the public health, safety, and general welfare.

Your Committee has amended this bill to provide for lapsing of authority to issue the special purpose revenue bonds on June 30, 1995.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1516, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 732 Ways and Means on S.B. No. 1572

The purpose of this bill is to appropriate \$1,712,579 to the department of health for the 1991-1993 fiscal biennium, for perinatal support services.

Your Committee finds that this bill will provide funding for six perinatal support demonstration projects. The funding provided by this bill will provide perinatal support services for approximately 3,220 women who lack adequate perinatal service because they have no medical insurance, lack access to medical benefits, or are unaware of the importance of perinatal care.

Your Committee has amended this bill by:

- (1) Consolidating sections 1, 2, and 3, and renumbering sections 4 to 6 accordingly;
- (2) Changing the appropriation to blank amounts; and

- (3) Making technical nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1572, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1572, S.D. 2.

Signed by all members of the Committee.

SCRep. 733 Ways and Means on S.B. No. 1573

The purpose of this bill is to raise the standard of need for financial assistance programs from sixty-two and a half per cent to sixty-five per cent of the federal poverty level.

Your Committee has amended this bill by changing the percentage figure of "sixty-five" to a blank figure.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1573, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1573, S.D. 1.

Signed by all members of the Committee.

SCRep. 734 Ways and Means on S.B. No. 1612

The purpose of this bill is to appropriate funds to extend Medicaid eligibility to those with incomes at one hundred thirty-three per cent of the payment allowance, or eighty-three per cent of poverty.

Your Committee finds that Act 202, Session Laws of Hawaii 1990, authorized the expansion of Medicaid eligibility for the medically needy to one hundred thirty-three per cent of the public assistance allowance, or eighty-three per cent of poverty, subject to the appropriation of state funds and the availability of federal matching assistance. The department of human services expects that if Medicaid eligibility is extended to those at one hundred thirty-three per cent of poverty, approximately 2,000 new individuals would qualify and additional funds of \$1,997,573 in state funds and \$1,997,573 in federal funds would be required.

After due consideration, your Committee has amended this bill by leaving the percentage amounts blank.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1612, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1612, S.D. 1.

Signed by all members of the Committee.

SCRep. 735 Ways and Means on S.B. No. 1736

The purpose of this bill is to appropriate \$71,135 and \$61,475 to the department of health for fiscal years 1991-1992 and 1992-1993, respectively, for the Waianae adolescent health network.

Your Committee finds that this bill will restore funding to the Waianae adolescent health network, which was cut from the executive budget because of resource constraints, and enable the network to continue with efforts to improve the health, social, emotional, educational, and economic well-being of the youth of Waianae.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1736, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1736, S.D. 1.

Signed by all members of the Committee.

SCRep. 736 Ways and Means on S.B. No. 1775

The purpose of this bill is to appropriate funds to establish a pediatric immunology program to provide family-centered, pediatric immunology services for human immunodeficiency virus (HIV) antibody and antigen positive infants and children from birth to twenty-one years of age.

Your Committee finds that because of the growing number of children and infants infected with HIV and the complexity of the problems that arise as a result of infection, the health care services of HIV infected infants and children should be managed by a single team that is in contact with the patient's primary caregiver. This bill proposes to establish a program to augment the general services of the patient's primary physician by providing specialized HIV care, thereby ensuring that the services to the child are complete and coordinated among the various sources of care.

Your Committee has amended this bill by deleting the sums to be appropriated to the program. Your Committee has also made technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1775, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1775, S.D. 1.

Signed by all members of the Committee.

SCRep. 737 Ways and Means on S.B. No. 1224

The purpose of this bill is to exempt amounts received under an operating contract by the operator of a county transportation system from a political subdivision where the subdivision is the owner of the transportation system.

In 1990, the Hawaii Tax Appeal Court ruled that the amounts received by MTL, Inc. from the city and county of Honolulu under its management agreement with the city and county are not subject to the general excise tax. The court determined that MTL, Inc. is an instrumentality of the city and that MTL, Inc. was not doing business within the reach of the general excise tax law. Thus, it is appropriate to provide a general excise tax exemption for the operators of county transportation systems.

Your Committee has made technical nonsubstantive amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1224, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1224, S.D. 2.

Signed by all members of the Committee.

SCRep. 738 Ways and Means on S.B. No. 1403

The purpose of this bill is to make an emergency \$6,000,000 appropriation for Hawaii's visitor industry, which has suffered a severe downturn due to the national and world economies and the recent war in the Persian Gulf.

Your Committee recognizes that the visitor industry is one of the mainstays of the economic well-being of the State. Your Committee finds that in February 1991, the State suffered a 17.8 per cent drop in mainland visitors and a sixteen per cent drop in Asian arrivals from the rates of a year ago. Hotel occupancy rates have dropped ten per cent statewide, with severe drops of eighteen to twenty per cent on the neighbor islands. There has also been a four-fold increase in unemployment insurance filing by hotel workers.

Your Committee finds that this bill has been recommended by the governor under Article VII, Section 9, of the State Constitution as an emergency measure. Your Committee notes that a cooperative state and private sector special marketing campaign has been planned for April to help stem the decline.

Your Committee has amended the bill to specify that the funds shall be used to promote the visitor industry in all counties. Your Committee has also amended the bill by providing the amount by which the state general fund ceiling will be exceeded by this appropriation and the reason for so doing.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. 1403, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1403, S.D. 2.

Signed by all members of the Committee.

SCRep. 739 Ways and Means on S.B. No. 480

The purpose of this bill is to establish a comprehensive program of mental health services for deaf and hard-of-hearing persons.

Your Committee finds that there are approximately 4,500 persons who are deaf or hard-of-hearing in Hawaii who are in need of mental health services. The inability of these persons to access mental health services significantly intensifies their disabilities, further isolates them from society, and limits their ability to be independent and self-supporting citizens. Your Committee further finds that the establishment of a statewide resource team would allow greater opportunities for these individuals to access appropriate mental health services.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 480, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 740 Ways and Means on S.B. No. 2114

The purpose of this bill is to authorize the director of finance to issue \$2,000,000 in general obligation bonds and to make an appropriation for the same sum for fiscal year 1991-1992, to enable the department of transportation, in consultation with the Waikiki Improvement Association, to undertake the following capital improvement projects:

- (1) Beautification and landscaping of the pedestrian areas between Atkinson Boulevard and Kalakaua Avenue; and
- (2) Construction of an additional traffic lane in the mauka direction between Kalia Road and Kalakaua Avenue.

Your Committee finds that this bill will help to enhance the marketability of Waikiki as a prime visitor destination.

Your Committee has amended this bill by:

- (1) Changing the amount of general obligation bonds authorized by the Act and the appropriation for the same, to an unspecified amount;
- (2) Extending the period for the appropriation to fiscal year 1992-1993 rather than limiting it to fiscal year 1991-1992;

- (3) Changing the date on which all unencumbered appropriations will lapse from June 30, 1993, to June 30, 1994, since appropriations whose source is general obligation bonds can be for any specified period not exceeding three years; and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2114, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2114, S.D. 2.

Signed by all members of the Committee.

SCRep. 741 Ways and Means on S.B. No. 976

The purpose of this bill is to appropriate funds to study the feasibility of establishing an urban rental housing development program and to develop plans and specifications for a prototype project.

Your Committee finds that the elimination of the federal tax incentives for low-income housing development has resulted in a substantial decrease in the rate of the development of these projects. In this regard, this bill requires the housing finance and development corporation to study the feasibility of establishing an urban rental housing development program to encourage private sector involvement in affordable housing.

Your Committee has amended this bill by changing the sum to be appropriated to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 976, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 976, S.D. 2.

Signed by all members of the Committee.

SCRep. 742 Ways and Means on S.B. No. 1858

The purpose of this bill is to improve the juvenile justice system by consolidating efforts being made to prevent juvenile delinquency.

Specifically, this bill incorporates the juvenile justice interagency board into the office of youth services by transferring the board's powers, functions, and duties to the office. Your Committee finds that this will provide the board with a broader base from which to carry out its purposes and, at the same time, provide valuable expertise to the office of youth services to assist it in the planning, coordination, and integration of a cohesive and effective youth service system.

Your Committee has amended this bill by making a few technical, nonsubstantive changes to correct grammatical errors and for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1858, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1858, S.D. 2.

Signed by all members of the Committee.

SCRep. 743 Ways and Means on S.B. No. 1737

The purpose of this bill is to appropriate \$600,000 to the Hawaii community-based development revolving fund under the department of business, economic development, and tourism to provide grants to traditional community-based businesses and enterprises. This bill also amends Act 111, Session Laws of Hawaii 1990, by providing that the funds appropriated during fiscal year 1990-1991 may also be disbursed in the form of loans to traditional and small community-based businesses and enterprises.

Your Committee finds that the community-based development law was passed in 1990 to encourage economic diversification in Hawaii and to assist traditional and small community-based businesses and enterprises in becoming self-sufficient. To accomplish this objective, the Hawaii community-based development revolving fund was established under the department of business, economic development, and tourism. Under Act 111, Session Laws of Hawaii 1990, the department is directed to disburse the moneys appropriated during fiscal year 1990-1991 in the form of grants to businesses seeking to establish community-based business activities. To provide the department with additional flexibility in carrying out the intent and purpose of the law, this bill authorizes the department to utilize the funds appropriated under Act 111 to issue loans as well as grants to these businesses.

Your Committee has amended this bill by deleting the sum to be appropriated into the community-based development revolving fund during fiscal year 1991-1992 to provide grants to community-based businesses. Your Committee finds that until the level of funding necessary to provide grants during the upcoming fiscal year can be accurately ascertained, the amount to be appropriated should remain unspecified.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1737, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1737, S.D. 2.

Signed by all members of the Committee.

SCRep. 744 Ways and Means on S.B. No. 631

The purpose of this bill is to provide funding for the office of technology transfer and economic development at the University of Hawaii. Specifically, this bill provides for the deposit of sixty-two per cent of the total amount of indirect overhead funds generated by the university for research and training purposes into the research and training revolving fund. In addition, four per cent of the total amount of indirect overhead funds generated by the university for research and training purposes would be deposited into the discoveries and inventions revolving fund until the end of the 1995-1996 fiscal year.

Your Committee has amended this bill by:

- (1) Changing the current amount of indirect overhead funds to be deposited into the university's research and training revolving fund from sixty-two to sixty-six per cent;
- (2) Authorizing the board of regents to expend funds deposited in the research and training revolving fund for:
 - (A) Costs associated with the intellectual property and technology licensing program administered by the office of technology transfer and economic development, and authorizes the university to transfer funds approved by the board to the discoveries and inventions revolving fund; and
 - (B) Costs involved in implementing, administering, and operating a housing assistance loan program, and requires the university to deposit funds approved by the board into a separate account within the research and training revolving fund; and
- (3) Deleting the provision that would deposit four per cent of indirect overhead funds generated by the university for research and training purposes into the discoveries and inventions revolving fund, and authorizes the deposit of funds approved by the board of regents into the discoveries and inventions revolving fund for the purposes of costs relating to the housing assistance loan program.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 631, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 631, S.D. 2.

Signed by all members of the Committee.

SCRep. 745 Ways and Means on S.B. No. 179

The purpose of this bill is to provide funds to establish a permanent, professional position to administer the registration of condominium projects, public reports, and the owner-occupant provisions of chapter 514A, Hawaii Revised Statutes, and limited equity cooperatives.

Your Committee finds that the evolving complexity in the types of condominium projects being developed necessitates the establishment of a permanent, professional position within the department of commerce and consumer affairs to administer the registration, public reports, and owner-occupancy requirements relating to condominium projects.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 179 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 746 Ways and Means on S.B. No. 1209

The purpose of this bill is to clarify the title of the commissioner of financial institutions, permit the deputy commissioner to act in the absence of the commissioner, and authorize the commissioner to appoint an international banking specialist.

Your Committee finds that in 1990, the legislature approved the establishment of an international banking specialist within the division of financial institutions. This bill will provide the division with the necessary authority to hire the specialist, along with other housekeeping provisions.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1209 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 747 Ways and Means on S.B. No. 1372

The purpose of this bill is to clarify the authority of the department of health to establish charges for services and collect fees for those services.

Your Committee finds that currently, there is wide variation in the authority granted to the department of health to establish charges and collect fees for its services. Because of this ambiguity, the attorney general has determined that the department could not establish fee scales for certain programs without new statutory authority. This bill will clearly enable the department to establish and collect fees.

Your Committee has amended this bill by including a proviso to ensure that services would not be withheld to any person on the grounds of the person's inability to pay the fee. Your Committee finds that this provision will protect those persons who may be in need of assistance but are unable to afford the fee.

Your Committee has further amended this bill by replacing the term "department of public safety" with the term "sheriffs". Your Committee finds that section 11 of Act 281, Session Laws of Hawaii 1990, repealed section 10 of Act 211, Session Laws of Hawaii 1989, therefore reversing the effect of the 1989 law on section 321-1, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1372, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1372, S.D. 1.

Signed by all members of the Committee.

SCRep. 748 Ways and Means on S.B. No. 999

The purpose of this bill is to amend the laws of the State relating to public lands to require an appraisal of the land value whenever the department of land and natural resources disposes of public lands that would result in entitlements to the office of Hawaiian affairs or the department of Hawaiian home lands.

Your Committee has amended the bill by:

- (1) Deleting the remainder of the sentence after the word "project" at line 22, page 2; and
- (2) Changing the effective date of sections 1 and 3 of the bill to take effect with the appropriation provision.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 999, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 999, S.D. 2.

Signed by all members of the Committee.

SCRep. 749 Ways and Means on S.B. No. 1158

The purpose of this bill as received was to appropriate \$260,000 to the department of accounting and general services for fiscal year 1991-1992, to continue planning and design of the state history center or museum, coordinate existing historical institutions, and conduct a conference on state and community history.

Your Committee has amended this bill by:

- (1) Adding a new section to establish the state history center or museum and a five-member board of directors to direct the same, and renumbering sections 2 to 4 accordingly;
- (2) Changing the effective date of the Act to make the statute establishing the state history center or museum and the board of directors, effective upon approval of the same, rather than on July 1, 1991; and
- (3) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1158, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1158, S.D. 2.

Signed by all members of the Committee.

SCRep. 750 Ways and Means on S.B. No. 1231

The purpose of this bill is to establish a self-reliant Hawaii targeted jobs credit in the name of a credit for the employment of vocational rehabilitation referrals.

This bill incorporates into the law pertinent language of section 51 of the Internal Revenue Code of 1986 that applies to Hawaii's targeted jobs credit, and eliminates all specific references to section 51 of the Internal Revenue Code.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1231, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 751 Ways and Means on S.B. No. 1408

The purpose of this bill is to:

- (1) Mandate the department of health and each county to consider various solid waste management and processing methods, including source reduction, recycling and bioconversion, incineration with energy recovery, and landfilling and incineration without energy recovery, in the management of the State's solid waste; and
- (2) Appropriate funds for the 1991-1993 fiscal biennium to conduct an annual statewide household hazardous waste collection project, including the hiring of one full-time employee to oversee the project and to provide technical assistance and advice to the counties.

Your Committee received testimony in support of this bill from the University of Hawaii environmental center, the city and county of Honolulu department of public works, the county of Kauai, the Hawaii medical association, and the Hawaii food industry association.

Your Committee has amended this bill by changing the effective date of the Act from July 1, 1992 to July 1, 1991, in order to implement the purpose and provisions of the same.

Your Committee has made the following technical, nonsubstantive amendments for purposes of clarification:

- (1) Amended § -3(b) in section 2 to specify that the base year to be used for calculating progress toward the goal of reducing the amount of office paper consumption by state and county agencies through source reduction, shall be 1990;
- (2) Amended § -24(c) in section 2 to require that changes not deemed "substantial", rather than "substantive", be incorporated immediately into the county integrated solid waste management plan;
- (3) Deleted § -43 in section 2 to eliminate duplication of the nearly identical provisions in § -3(b) concerning the State's goal to reduce the amount of office paper generated by state and county agencies by January 1, 1995, and renumbering § -44 to -49 accordingly; and
- (4) Deleted section 6 to reflect the fact that there is no new language to underscore, and renumbered section 7 accordingly.

Your Committee has also made other technical, nonsubstantive changes for purposes of consistency and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1408, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1408, S.D. 2.

Signed by all members of the Committee.

SCRep. 752 (Majority) Ways and Means on S.B. No. 2013

The purpose of this bill is to permit bona fide religious, charitable, service, fraternal, veteran, and nonprofit organizations to conduct bingo games and raffles under limited circumstances, which are to be regulated by a bingo control board.

Your Committee amended this bill by incorporating into it the text of S.B. No. 711, S.D. 1, which establishes a statewide lottery for six years. Legalizing these games of chance in relatively modest and highly controlled forms will enable many charitable organizations to raise needed funds to continue to provide valued community services, and enable the State to raise revenues for important programs without the undesirable effects that raising taxes could have on the business climate. That the raising of these revenues for charitable and governmental purposes could well divest these funds from criminal enterprises should not be overlooked.

Your Committee has also made technical, nonsubstantive amendments to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2013, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2013, S.D. 2.

Signed by all members of the Committee.

Senators Levin and George did not concur.

SCRep. 753 Ways and Means on S.B. No. 808

The purpose of this bill is to appropriate \$1 to the department of agriculture for fiscal year 1991-1992, for the construction of a feeds mill laboratory at the Oceanic Institute's Makapu'u facility.

Your Committee finds that this bill will enhance the participation of the local feeds research and production community in developing animal feeds production technologies and make Hawaii a center for information exchange on the same.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Making a technical nonsubstantive change for the purpose of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 808, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 808, S.D. 2.

Signed by all members of the Committee.

SCRep. 754 Ways and Means on S.B. No. 1076

The purpose of this bill is to enable public employees employed in dangerous or highly stressful positions with a minimum of fifteen years of credited service to receive disability retirement benefits calculated on the basis of normal retirement benefits under section 88-74, Hawaii Revised Statutes.

Your Committee finds that under current law, if a member of the employees' retirement system contributory plan with ten or more years of service is granted ordinary disability retirement, the member will receive a retirement allowance of one and three-fourths per cent of the member's average final compensation for each year of credited service. The minimum retirement allowance payable would be thirty per cent of the member's average final compensation. This bill

will allow certain employees with a minimum of fifteen years of service in dangerous or highly stressful positions to receive benefits at a rate of two and one-half per cent for each year of service, thereby allowing these members to take what would amount to an early retirement with full benefits that are not in any way offset for the fact that they are being paid earlier.

Your Committee has amended this bill by providing that the retirement allowance on ordinary disability allowance for employees in this category with fifteen or more years of credited service be calculated at a rate of two per cent of the member's average compensation for each year of service, subject to a maximum retirement allowance of eighty per cent of the member's average final compensation.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1076, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1076, S.D. 1.

Signed by all members of the Committee.

SCRep. 755 Ways and Means on S.B. No. 831

The purpose of this bill is to grant counties the ability to provide by ordinance for the creation of community facilities districts to finance special improvements and maintenance or to provide services in the county. The bill also allows counties to levy a special tax on property located in the district provided that properties owned by the state, federal, or other local governments shall be exempt.

Your Committee received testimony in unanimous support of the bill and agrees that this bill will enable the counties to pay for new services or operating and maintenance expenses within the district that cannot be met out of general county funds.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 831, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 831, S.D. 2.

Signed by all members of the Committee.

SCRep. 756 Ways and Means on S.B. No. 1792

The purpose of this bill is to clarify and strengthen the existing correctional industries law. Specifically, the bill would allow the correctional industries to construct, renovate, and repair the grounds, furniture, vehicles, and equipment of private nonprofit agencies; broaden the range of purchases that may be made for the manufacture of goods and services that are exempt from the public bidding requirements; and authorize the use of the correctional industries revolving fund to compensate inmates for work assignments.

Currently, the correctional industries program is allowed to perform construction, renovation, and repair only on facilities of nonprofit agencies and is not able to offer those agencies a full range of services. Furthermore, the existing law specifies that only equipment, material, supplies, and services are exempt from the public bidding process. Thus, for any other item purchased, the correctional industries program must adhere to the bidding process. Lastly, there is no specific authorization to use the revolving fund to pay inmates for their labor.

Your Committee has amended this bill by:

- (1) Deleting the additional words "anything purchased" in section 3 and replacing the word "purchases" to clarify the intent that all purchases shall be exempt from the public bidding process; and
- (2) Making a technical nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1792, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1792, S.D. 2.

Signed by all members of the Committee.

SCRep. 757 Ways and Means on S.B. No. 9

The purpose of this bill is to establish a new department of environmental protection which shall have jurisdiction over the environmental protection functions currently administered by the department of health, except for the programs for litter control, environmentally-related illness, noise control, radiation inspection, vector control, sanitation, and food products.

Your Committee received testimony both for and against this bill. The testimonies against the bill, however, were not opposed to the concept of a separate environmental department. Instead, they urged further study and planning. Testimonies in favor of this bill noted that for the past eleven years there has been widespread concern over the continually growing scope of responsibilities of the department of health which precludes comprehensive management attention to environmental issues. The department of health is viewed as too large and its responsibilities too varied to effectively manage environmental programs.

Your Committee agrees with the proponents of this bill that focused attention is required if this State is to effectively address environmental issues, the magnitude of which is multiplying as the population increases. The only way to achieve such focused attention is by establishing a separate department which has environmental protection as its sole mission.

Your Committee has amended this bill by adding an appropriation section with a blank amount and by making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 9, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 9, S.D. 2.

Signed by all members of the Committee.

SCRep. 758 Ways and Means on S.B. No. 2122

The purpose of this bill is to appropriate funds to implement the west Oahu social and employment services incubator project. The bill appropriates \$125,536 for fiscal year 1991-1992, and \$130,813 for fiscal year 1992-1993, to be expended by the department of labor and industrial relations. The bill also deletes the director of the office of state planning from the incubator board and adds the comptroller or a designated representative.

Your Committee finds that the incubator project was created pursuant to Act 325, Session Laws of Hawaii 1990, to provide for the needs of the rapidly increasing population of West Oahu. The board of the project submitted a report to the legislature this session summarizing needs assessment data, inventorying current services, making recommendations, and devising the implementation plan.

Your Committee finds that the additional funds appropriated by this bill will increase and enhance the effectiveness of the project and will allow the all important implementation phase to begin.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2122, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 759 Ways and Means on S.B. No. 1901

The purpose of this bill is to:

- (1) Establish an international flight training center at the University of Hawaii; and
- (2) Appropriate \$10,705 and 3.0 positions and \$695,027 and 6.0 positions to the University of Hawaii for fiscal years 1991-1992 and 1992-1993, respectively, for an international flight training center.

Your Committee finds that this bill will provide professional pilot education and training for the Pacific basin.

Your Committee has amended this bill by:

- (1) Changing the appropriations to unspecified amounts; and
- (2) Making technical nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1901, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1901, S.D. 2.

Signed by all members of the Committee.

SCRep. 760 Ways and Means on S.B. No. 1538

The purpose of this bill is to authorize the board of trustees of the public employees health fund to select for a long-term care benefit plan either a self-insured plan to be guaranteed by the State or a fully insured plan underwritten by an insurance carrier.

Your Committee has amended this bill by:

- (1) Making a number of corrections to reflect existing statutory language; and
- (2) Making a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1538, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1538, S.D. 2.

Signed by all members of the Committee.

SCRep. 761 Ways and Means on S.B. No. 1381

The purpose of this bill is to establish a commission for performance standards within the department of education to set the performance standards of achievement expected of students in public schools and the means to assess the same.

Your Committee has amended this bill by:

- (1) Changing the appropriations to unspecified amounts; and

- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1381, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1381, S.D. 2.

Signed by all members of the Committee except Senators B. Kobayashi, Levin and Solomon.

SCRep. 762 Ways and Means on S.B. No. 864

The purpose of this bill is to allow the high technology development corporation, upon availability of funds, to obtain funds from the Hawaii capital loan program if the high technology research and development fund is inadequate to fund projects. The amount of any single loan is limited to \$100,000 and only one loan may be outstanding at any one time. The loan must be repaid within twelve months of receiving the funds and made without interest. In addition, the bill changes the high technology research and development fund into a revolving fund to allow any funds that are not disbursed to be carried over for use in the succeeding years.

Your Committee finds that there is a shortage of funds available for small business innovation research grants and it is necessary to support the long term needs of the Hawaii small business innovation research grant program. The program has been an essential factor in the formation, survival, and growth of many small companies in the State.

Due to the complexity of the language dealing with the transfer of funds between the revolving funds, your Committee has amended this bill by:

- (1) Replacing the provisions authorizing the high technology development corporation to apply for loans from the Hawaii capital loan program with provisions authorizing the corporation to apply for transfers of funds from the Hawaii capital loan revolving fund; and
- (2) Requiring that transfers of funds be made without any charges or fees.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 864, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 864, S.D. 2.

Signed by all members of the Committee.

SCRep. 763 Ways and Means on S.B. No. 1130

The purpose of this bill is to grant state income tax relief, retroactive to August 2, 1990, to Hawaii's military personnel deployed in the Persian Gulf.

This bill conforms the state income tax law to recent acts of Congress with regard to federal income tax deferrals, extensions, and exemptions.

Your Committee agrees with testimony from the department of taxation regarding proper administration of the tax relief and has amended this bill to include specific language as suggested by the department of taxation. Your Committee finds that the concept of providing this type of tax relief to persons in war zones is not new. In the past, the Internal Revenue Service has also allowed Red Cross workers, industrial technicians, civilian employees of the federal government, and war correspondents to qualify for this type of relief under the federal law.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1130, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1130, S.D. 2.

Signed by all members of the Committee.

SCRep. 764 Ways and Means on S.B. No. 532

The purpose of this bill is to appropriate funds to provide additional teacher positions to reduce the student-teacher ratio in all public schools in the State.

Your Committee finds that reduced class ratios will allow teachers to spend more time with students, offer more individualized instruction, better identify students learning needs, and develop more positive relationships with students. All these factors will significantly improve the quality of public education programs.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 532 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 765 Ways and Means on S.B. No. 1390

The purpose of this bill is to clarify the purpose, duties, and powers of the high technology development corporation and to increase the aggregate limit of loans that can be made by the State to the corporation from \$500,000 to \$1,000,000.

Your Committee finds that this bill will facilitate the growth and development of the commercial high technology industry in Hawaii by enlarging the scope of the corporation's responsibilities as they relate to high technology development.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1390, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1390, S.D. 1.

Signed by all members of the Committee.

SCRep. 766 Ways and Means on S.B. No. 870

The purpose of this bill is to appropriate funds for the development of a germplasm collection center to ensure the maintenance of existing pedigree lines of specific pathogen free (SPF) shrimp stocks for the continued development of the United States shrimp industry.

Your Committee has amended this bill by changing the appropriation to a blank amount and by making other technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 870, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 870, S.D. 2.

Signed by all members of the Committee.

SCRep. 767 Ways and Means on S.B. No. 1379

The purpose of this bill is to change the manner in which purchases of service determinations are made by allowing the budgeting of funds for purchases of service in an agency's budget on a fee-for-service basis without identifying the specific provider that would be contracted to provide the service.

Under current law, an agency that anticipates the need to purchase services solicits proposals for potential providers prior to the request for funds. The efficiency and effectiveness of the proposal solicitation and review process has been the subject of much debate in recent years as some proposals that are solicited, reviewed, and recommended by agencies are not included in the final budget while others that are not recommended by agencies are included. This bill, by allowing the solicitation and review of proposals after the funding is available, would eliminate such inefficiencies and afford state agencies added flexibility in that an agency could opt to use the funds to provide the services in-house if it finds it would be more cost-efficient to do so.

Your Committee has amended this bill to:

- (1) Include in the amendments to chapter 103 (the state procurement law), references to the judiciary to make it clear that purchases of service for the judiciary are to be handled in the same manner as purchases of service for other state agencies;
- (2) Add a provision requiring the chief executives to include all purchase of service requests in the proposed budget to be submitted to the legislature specifying each program service and the amount requested for that service;
- (3) Add a provision requiring the chief executives to submit, prior to each legislative session, a report on all purchase of service agreements entered into for the fiscal year immediately preceding the fiscal year for which the legislature is considering appropriations, specifying the program service, the name of the provider, and the funding amount;
- (4) Change the effective date to ensure that the purchase of service appropriations for the 1991-1993 fiscal biennium which have already undergone the current review process under chapter 42, Hawaii Revised Statutes, will not be affected; and
- (5) Make technical nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1379, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 768 Ways and Means on S.B. No. 1410

The purpose of this bill is to appropriate \$15,000,000 to the department of health for fiscal year 1990-1991, for emergency operating expenses for community hospitals.

Your Committee finds that the community hospitals system will run out of appropriated funds before the end of the 1990-1991 fiscal year and that the community hospitals division will be unable to meet its fiscal obligations to operate its hospitals. This bill will prevent the reduction or discontinuance of services provided by the community hospitals system.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1410, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1410, S.D. 1.

Signed by all members of the Committee.

SCRep. 769 Ways and Means on S.B. No. 1333

The purpose of this bill is to establish a Waikiki aquarium special fund for the deposit of all revenues generated from concessions at the aquarium and all fees and charges collected in conjunction with the operation of the aquarium. The bill provides that the sums of \$800,000 for fiscal year 1991-1992 and \$840,000 for fiscal year 1992-1993 are authorized to be expended by the fund for certain activities relating to the aquarium. The bill also provides for free admission for children under the age of twelve and for persons over the age of sixty if on a tour or excursion sponsored by a senior citizens group.

Your Committee finds that the creation of the fund will aid the aquarium in carrying out its mission.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1333 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 770 Ways and Means on S.B. No. 721

The purpose of this bill is to:

- (1) Appropriate \$8,633,617 and \$11,961,498 to the department of health for fiscal years 1991-1992 and 1992-1993, respectively, for the development of a statewide comprehensive system of mental health care for children and adolescents; and
- (2) Appropriate \$1,467,391 and \$2,287,191 to the department of health for fiscal years 1991-1992 and 1992-1993, respectively, to provide substance abuse treatment and services.

Your Committee finds that this bill will enable the department of health to begin the development of a statewide comprehensive system of care that will provide a continuum of appropriate mental health services to children and adolescents in the State of Hawaii.

Your Committee has amended this bill by:

- (1) Changing all appropriations to unspecified amounts; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 721, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 771 Ways and Means on S.B. No. 1393

The purpose of this bill is to provide that payment received under section 206E-10.5, Hawaii Revised Statutes, for relocation of persons displaced by the creation or development of a community development district, shall not be considered income for state income tax or public assistance purposes.

Your Committee finds that the provisions of this bill are similar to the relocation provisions granted under chapter 111.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1393 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 772 Ways and Means on S.B. No. 1702

The purpose of this bill is to allow S corporations to elect to deduct net operating losses sustained as a C corporation prior to January 1, 1990.

Upon further consideration of this bill, your Committee finds that the amendment proposed by this bill is necessary to correct an unintended problem which arose after the passage of Act 16, Session Laws of Hawaii 1990. Act 16 was intended to simplify compliance and promote greater uniformity among states in the treatment of S corporations by allowing an S election for federal purposes to be valid for Hawaii purposes. However, the automatic conversion from C status to S status for Hawaii purposes created a problem in that losses sustained as a C corporation could not be carried over to the years as an S corporation. Thus, the automatic conversion triggered by Act 16 precludes the use of loss carryovers to offset future income unless the S election is revoked at the federal level, which is often not desirable.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1702, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 773 Ways and Means on S.B. No. 12

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the department of accounting and general services to complete the construction of the Pearl City Performing Arts Center.

Your Committee finds that the Pearl City Performing Arts Center will provide a major contribution to the cultural growth of students in the leeward and central school districts and provide greater opportunities for the youth of these areas to perform in drama and music programs.

Your Committee has amended the bill to authorize the issuance of general obligation bonds in an unspecified amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 12, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 12, S.D. 1.

Signed by all members of the Committee except Senator Levin.

SCRep. 774 Ways and Means on S.B. No. 626

The purpose of this bill as received was to:

- (1) Establish a policy of governing, managing, administering, and otherwise operating the State's public school system at the local level, as far as reasonably possible;
- (2) Exempt funds allotted to schools from the expenditure requirements of section 37-38, Hawaii Revised Statutes;
- (3) Authorize schools to hire as many teachers or other personnel as the schools deem necessary, subject to specific conditions; and
- (4) Resolve all statutory conflicts between:
 - (A) The exempting of funds allotted to schools from the expenditure requirements of section 37-38, Hawaii Revised Statutes; or
 - (B) The authorizing of schools to hire as many teachers or other personnel as the schools deem necessary, subject to specific conditions; and
 - (C) The provisions of part II, chapter 37, Hawaii Revised Statutes (allotment system);
 in favor of the schools.

Your Committee has amended this bill by:

- (1) Deleting sections 1 and 2, relating to the purpose of the Act and the policy of governing, managing, administering, and otherwise operating the State's public school system at the local level, and renumbering sections 3 and 4 accordingly;
- (2) Deleting the provision exempting funds allotted to schools from the expenditure requirements of section 37-38, Hawaii Revised Statutes;
- (3) Clarifying that only school/community-based management system schools, rather than all schools, are authorized to hire as many teachers or other personnel as the schools deem necessary;
- (4) Exempting appropriations for school/community-based management system schools from section 37-32, Hawaii Revised Statutes (quarterly allotment periods), requiring appropriations for school/community-based management system schools to be allotted on an annual basis, allowing school/community-based management system schools to carry over unexpended and unencumbered funds into the second year of a fiscal biennium, and requiring a school/community-based management system school's unexpended and unencumbered funds to be returned to the general fund at the end of the fiscal biennium in accordance with section 40-66, Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 626, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 626, S.D. 1.

Signed by all members of the Committee except Senator Levin.

SCRep. 775 Ways and Means on S.B. No. 1039

The purpose of this bill is to establish the imposition of a one-time, one-half per cent tax on any new or used motor vehicle imported into the State for rental or lease purposes.

The current general excise tax and use tax laws are structured in such a manner that the total tax that is paid when rental or lease companies import cars from an unlicensed mainland manufacturer is only a one-half of one per cent use tax, while the tax paid when rental or lease companies who purchase cars from a local dealer who is supplied by the manufacturer totals one per cent general excise tax (one-half of one per cent by the manufacturer and one-half of one per cent by the local dealer). This situation puts local car dealers at a disadvantage. In the interest of promoting local new car sales this bill authorizes the counties to collect a one-time tax of one-half per cent which will make equal the amount of tax collected on cars registered for the first-time in the State by rental or lease companies whether or not they are purchased locally or on the mainland.

Your Committee has amended this bill by providing for the imposition of a one-half of one per cent tax to be paid to the county.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1309, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1309, S.D. 1.

Signed by all members of the Committee except Senator Levin.

SCRep. 776 Ways and Means on S.B. No. 1706

The purposes of this bill are to establish an employment and training fund to assist employers and workers through innovative programs, to provide a more equitable contribution system for the unemployment compensation fund, and to increase claimant benefits.

The employment and training fund which is established by this bill through a 0.05% assessment on contributory employers for the 1992 and 1993 calendar years is expected to yield approximately \$3,700,000 annually. Moneys from this fund will enable the State, in partnership with business, industry, labor, county government, and community organizations, to address the needs for a skilled workforce.

This bill also provides for a multi-schedule contribution rate system to replace the current two-part basic contribution schedule and the fund solvency contribution schedule. The multi-schedule contribution rate system is simpler, will result in more gradual increases or decreases in contributions, and provides for a reduction in employer tax rates when the fund is above the adequate reserve level.

The increased claimant benefits provided by this bill will restore equity by providing financial assistance which more accurately reflects the ability of the worker to maintain basic necessities while seeking new employment.

After due consideration, your Committee has amended this bill to require that the assessment for the employment and training fund be permanent rather than for only a two-year period and that employers assigned the zero or maximum tax rate be exempt from this assessment. Your Committee has also made technical nonsubstantive amendments for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1706, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1706, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 777 Ways and Means on S.B. No. 1340

The purpose of this bill is to establish a temporary long-term care financing board charged with the responsibility of making recommendations for a comprehensive long-term care financing program for Hawaii.

Your Committee agrees with the findings of the Committee on Health and Human Services that a more comprehensive program can be designed if a board, as proposed by this bill, is established to afford opportunity for public discussion and to complete the work begun by the executive office on aging toward a final decision on an appropriate funding mechanism.

Your Committee has amended this bill by adding to the board's membership, a consumer member who shall be a senior citizen. Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1340, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1340, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 778 Ways and Means on S.B. No. 1424

The purpose of this bill, as received, is to authorize county prosecuting attorneys to appoint civil service exempt assistants and other necessary personnel.

Specifically, this bill exempts private secretaries and administrative or executive assistants to the prosecuting attorney, secretaries to the first deputy, and chief investigators. Your Committee finds that elected county prosecuting attorneys are the only major elected officials lacking the authority to appoint persons to assist them in administering their offices. Your Committee further finds that there are certain critical positions in an elected county prosecutor's office that necessitate an exemption from civil service status.

Your Committee has amended this bill so that the amendment proposed therein applies only to elected county prosecuting attorneys.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1424, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1424, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 779 Ways and Means on S.B. No. 1110

The purpose of this bill is to provide funding for staff positions in the adult protective services unit of the department of human services. The function of the adult protective services unit is to provide protective services to dependent adults in Hawaii who are abused, neglected, or exploited.

Your Committee has amended this bill by changing the appropriated amounts to blank amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1110, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1110, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 780 Ways and Means on S.B. No. 2055

The purpose of this bill is to appropriate funds to train mediators and arbitrators for international dispute resolution. Your Committee finds that Hawaii can play an important worldwide role in helping solve international problems and conflicts through the use of alternative dispute resolution techniques. Teaching the skills for solving problems peacefully befits Hawaii's image as the Aloha state toward which all other nations can aspire.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2055, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 781 Ways and Means on S.B. No. 1778

The purpose of this bill is to implement the recommendations developed by the legislative auditor pursuant to Act 240, Session Laws of Hawaii 1990, with respect to the special and revolving funds administered under the departments of budget and finance, accounting and general services, and agriculture.

Your Committee finds that Act 240, Session Laws of Hawaii 1990, directed the legislative auditor to evaluate all existing state special and revolving funds. Your Committee finds that thus far, the State has established in excess of one hundred thirty special and revolving funds. These funds generally provide automatic funding outside of the normal budget review process to state programs through the program's revenues, the assessment of fees, or the use of general funds without taking into account the overall condition of the state budget or the economy of the State. This bill is the result of the legislative auditor's evaluation of the funds administered by the departments of budget and finance, accounting and general services, and agriculture.

Your Committee has amended this bill by extending the repeal date of the agricultural park special fund and the irrigation system revolving fund from June 30, 1992 to June 30, 1993. Your Committee finds that with the additional time provided, these funds may exhibit the ability to be self-sustaining.

Upon further consideration, your Committee finds that the continued operation and existence of the state risk management fund, the state educational facilities improvement fund, and the stadium special fund is justified. Accordingly, your Committee has amended this bill by removing the sections proposing the repeal of these funds.

Your Committee further finds that the operation of the works of art special fund should also be maintained. However, your Committee finds that the percentage of the state fund appropriations for capital improvements transferred to the works of art special fund should apply only to those appropriations designated for the "new" construction and not the "renovation" of state buildings. Accordingly, your Committee has amended the section relating to the works of art special fund to reflect this intent.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1778, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 782 Ways and Means on S.B. No. 543

The purpose of this bill is to establish a teacher standards board to provide certification for entry into the bargaining unit 5 teaching profession.

Based on numerous discussions on this issue, your Committee has amended the bill to again reflect its best judgment of the appropriate approach toward the implementation of a teacher standards board. These amendments do not necessarily reflect the positions of the parties involved with establishing and administering a teacher standards board. Continuing

dialog is still necessary to develop a law that will be acceptable and supported by all parties. It is evident that the parties have attained great progress in reaching agreement on the numerous issues.

Your Committee has amended this bill by:

- (1) Changing the composition of the teacher standards board to include only one (rather than two) representative of the public and including one board of education member;
- (2) Changing and substituting numerous references to the board's function of setting teacher certification "standards" rather than "policy";
- (3) Clarifying the powers and duties of the teacher standards board including the power to issue temporary and emergency certificates under specified conditions;
- (4) Establishing the powers and duties of the board of education in relationship to the teacher standards board including the power to issue temporary and emergency certificates under specified conditions;
- (5) Changing the prohibition against serving on more than one state board or commission to exempt members of the board of education who are members of the teacher standards board; and
- (6) Making other technical nonsubstantive changes.

It is your Committee's intent to have the teacher standards board focus on the setting of certification standards and the board of education focus on the implementation and administration of the standards including the issuing and revocation of certificates.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 543, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 543, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 783 Ways and Means on S.B. No. 100

The purpose of this bill is to make the center for alternative dispute resolution a permanent part of the judiciary.

Your Committee finds that the center for alternative dispute resolution has an admirable track record of resolving public interest cases and cases referred by government agencies, through mediation, arbitration, and fact-finding, and assisting the judiciary in developing alternatives to litigation. Because of this, your Committee finds that the center has earned a permanent place in state government.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 100 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 784 Ways and Means on S.B. No. 125

The purpose of this bill is to streamline the process involved in the filing of court documents by increasing certain basic fees and eliminating many smaller ones. Any loss in revenue would be offset by the corresponding reduction in collection and accounting costs involved in the current process.

Your Committee finds that this bill would reduce the number and types of fees that must be administered and collected and enable the judiciary to direct much needed resources to more critical areas.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 125 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 785 Ways and Means on S.B. No. 139

The purpose of this bill is to require that all family court judges be circuit court judges, with the requisite background, powers, and compensation as regular circuit court judges.

Your Committee finds that, because of the impact family courts can have on the lives of children and families, this bill is necessary to ensure that family court judges meet the highest standards of competency and ability and that these judges are compensated sufficiently for the enormous responsibilities they bear.

Your Committee has amended this bill by:

- (1) Changing the word "five" to "ten" at line 7 of page 5 to reflect the intent of the bill to require family court judges to meet the same qualification as circuit court judges;
- (2) Adding a new section 10 to repeal section 571-8.2, Hawaii Revised Statutes, relating to the salary of district family court judges and renumbering the remaining sections accordingly;

- (3) Correcting errors in spelling and in the citation of present statutory language; and
- (4) Making a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 139, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 139, S.D. 2.

Signed by all members of the Committee.

SCRep. 786 Ways and Means on S.B. No. 788

The purpose of this bill is to appropriate funds for a statewide conference on crimes against women. The sum appropriated is \$1.

Your Committee finds that crimes against women are a serious problem and that public education may help prevent crimes and lead to formulation of a comprehensive plan to solve the problem.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 788, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 787 Ways and Means on S.B. No. 789

The purpose of this bill is to appropriate \$1 from the State's general fund to allow the commission on the status of women to conduct hearings that will help to develop community standards defining violent sexual behavior.

Your Committee finds that the high and increasing amounts of violent sexual behavior committed against women, including rapes, beatings, and spouse and lover abuse and murder, is a cause for concern. Your Committee finds that hearings will explore the reasons for acceptance of violent sexual behavior in our community. Your Committee believes that exposure to such behavior, for example, as portrayed through media and entertainment, may have a detrimental effect on our community, contributing to the degradation and victimization of women.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 789, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 788 Ways and Means on S.B. No. 791

The purpose of this bill is to clarify the law relating to the commission on the status of women and add the director of health as an ex officio member of the board.

Your Committee finds that the proposed changes will be helpful to the mission of the commission.

Your Committee has amended this bill by making technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 791, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 791, S.D. 2.

Signed by all members of the Committee.

SCRep. 789 Ways and Means on S.B. No. 1263

The purpose of this bill is to clarify who may serve investigative subpoenas, set fees for research and document reproduction that can be charged by financial institutions that perform these services in compliance with investigative subpoenas, and provide immunity from civil liability for releasing information in compliance with investigative subpoenas.

Currently, investigative subpoenas are to be served by police officers who are at least eighteen years old. However, the issuing authorities employ investigators with the powers of police officers to serve the subpoenas, not police officers.

Furthermore, experience has shown that fees for research and document reproduction vary extensively among financial institutions. This bill would set the rate for these services at the same level set by the federal reserve system for financial institutions who perform the services pursuant to a federal grand jury or investigative subpoena.

Finally, persons and entities who receive investigative subpoenas consistently are concerned with the possibility of being sued for releasing the information sought by the subpoena. This bill will clarify that compliance with the subpoenas will not expose the recipient to civil liability.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1263 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 790 Ways and Means on S.B. No. 795

The purpose of this bill is to establish a committee on gender and other fairness, to be placed within the judiciary for administrative purposes, and to make appropriations to the committee for the purposes of the Act, including the hiring of staff.

Your Committee finds that the Hawaii State Bar Association has carried out a survey released in 1988 indicating the existence of gender and other types of bias in the judicial system. The chief justice appointed an ad hoc committee on gender bias, which has developed recommendations on treating the problem. As the State is committed to providing equal access to the legal system for all people, regardless of gender, ethnicity, religion, age, or any other discriminatory factor, your Committee finds that establishing a formal committee to address these issues and implement the recommendations of the ad hoc committee on gender bias is appropriate.

Your Committee has amended the bill by changing the appropriations to a blank amount, and by making technical, nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 795, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 795, S.D. 2.

Signed by all members of the Committee.

SCRep. 791 Ways and Means on S.B. No. 817

The purpose of this bill is to transfer the youth development project from the department of public safety to the office of youth services in the department of human services.

The youth development project which was established in 1983 has been highly successful in impacting delinquency by addressing such factors as school failure, inability to relate to peers and adults, and school disciplinary referrals. The project works within the public school system to develop and promote social skills training, cooperative student team learning, and parent-school liaison. The project, which has been very successful in the public school system, shares the same juvenile delinquency prevention mission of the office of youth services. Accordingly, the transfer of the project as proposed by this bill is appropriate.

The bill also requires that an annual evaluation of the project be performed by the center for youth research of the University of Hawaii. Your Committee received testimony from the University of Hawaii that the center for youth research is well-prepared and willing to conduct the annual evaluations as it has been doing so in the past.

Your Committee has amended this bill by making a few technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 817, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 817, S.D. 2.

Signed by all members of the Committee.

SCRep. 792 Ways and Means on S.B. No. 1167

The purpose of this bill is to establish a juvenile justice information system that will collect, analyze, and disseminate juvenile offender information for use by juvenile justice agencies in carrying out their responsibilities.

Your Committee agrees with the findings of the Judiciary Committee that an information system is necessary to streamline the processing of offenders in the juvenile justice system and to promote better cooperation and coordination among the agencies with responsibilities over juveniles.

After careful review of this bill, your Committee made the following changes:

- (1) The reference to section 571-85(f) and (g), Hawaii Revised Statutes, in section -4 of the bill was corrected to read "section 571-84(f) and (g)";
- (2) The phrase "a petty misdemeanor, misdemeanor, or" in the amendment to section 571-74, Hawaii Revised Statutes, was underscored as it appears that the underscoring was inadvertently omitted out in the previous versions of the bill;
- (3) The appropriation amount was left blank; and
- (4) Several technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1167, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1167, S.D. 2.

Signed by all members of the Committee.

SCRep. 793 Ways and Means on S.B. No. 1258

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims. The total amount of the twenty-five settlements and miscellaneous claims is \$2,672,706.59.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1258, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 794 Ways and Means on S.B. No. 1797

The purpose of this bill is to require proof of compliance by a person convicted of abuse of family or household members when the abuser is required by court order to undergo counseling or treatment, pay restitution or reparation, or comply with any provision of the abuser's sentence. The bill provides that the abuser shall be required to come into court at a later date to provide proof of compliance unless a court officer has already determined that the abuser has complied with the court's order.

Your Committee finds that abuse of family and household members needs to be addressed seriously. Unchecked, it can escalate and lead to the most tragic of circumstances. Abusers who undergo counseling and provide restitution to victims are less likely to continue the cycle of violence. Requiring proof of compliance with court orders can help victims and abusers alike, and free families from this serious threat to family harmony and unity.

Your Committee has amended this bill by:

- (1) Eliminating all portions of section 709-906 except subsection (13), as only subsection (13) is being substantively amended;
- (2) Changing the appropriation to a blank amount; and
- (3) Making technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1797, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1797, S.D. 2.

Signed by all members of the Committee.

SCRep. 795 Ways and Means on S.B. No. 1839

The purpose of this bill is to require convicted sex offenders and certain career criminals to submit to DNA testing of blood and saliva samples for data collection. A DNA "fingerprint" obtained and stored for access by law enforcement officials and agencies will provide an accurate means of identifying offenders who may leave bodily fluids such as blood, semen, or hair or other tissue during the commission of a crime.

Your Committee has amended this bill by:

- (1) Clarifying that persons authorized to withdraw blood are the same as those authorized in drunk driving cases; and
- (2) Changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1839, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1839, S.D. 1.

Signed by all members of the Committee.

SCRep. 796 Ways and Means on S.B. No. 1841

The purpose of this bill is to assess mandatory fines from convicted drug distributors for use in drug treatment, prevention, and education programs.

Your Committee has amended this bill to correct grammatical errors and to make technical nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1841, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1841, S.D. 2.

Signed by all members of the Committee.

SCRep. 797 Ways and Means on S.B. No. 1842

The purpose of this bill is to:

- (1) Appropriate funds for fiscal year 1991-1992 to implement a comprehensive statewide plan to reduce substance abuse in Hawaii through prevention, law enforcement, and treatment; and
- (2) Require private health care insurers and private health care providers to submit reports regarding substance abuse treatment and services to the department of health.

Your Committee finds that this bill will implement the recommendations published in "A Report to the Governor on the Hawaii Statewide Drug Prevention and Control Strategy: An Overview and Action Plans" (1991).

Your Committee has amended this bill by:

- (1) Amending the prefatory language of section 24 to specify that the new section to be added to chapter 321, Hawaii Revised Statutes, is to be added to part XVI of the same;
- (2) Clarifying the definition of "private health care insurers" in section 24 as including "insurers", rather than "private insurers", because the former term is defined in section 431:1-202, Hawaii Revised Statutes, but not the latter; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1842, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1842, S.D. 2.

Signed by all members of the Committee.

SCRep. 798 Ways and Means on S.B. No. 94

The purpose of this bill is to establish a new refundable telework center income tax credit for taxable years beginning after December 31, 1991 and to expire on December 31, 1996.

The telework center credit provides employers with an income tax credit for the purchase and installation of telework centers in outlying areas of the respective counties. The credit qualifies certain employees and locations of telework centers and defines eligible costs that may be calculated for the credit. The credit provides special rules for telework stations set up for the handicapped. The amount of the credit is fifty per cent of the cost to purchase and install a telework center except in the case of a handicapped employee, where the amount of the credit is one hundred per cent of the cost.

Your Committee has made technical nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 94, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 94, S.D. 2.

Signed by all members of the Committee.

SCRep. 799 Ways and Means on S.B. No. 103

The purpose of this bill is to create general excise tax and fuel tax exemptions arising from the sales of alternative fuels used as motor vehicle fuel.

A new section has been added to chapter 237, Hawaii Revised Statutes, that exempts from the general excise tax the sales of alternative fuels including ethanol, methanol (and their blends), liquid propane gas, and biomass-derived substitutes for gasoline and diesel fuel.

The definition of fuels eligible for taxation under the fuel tax law has been amended to exclude alternative fuels effectively exempting sales of alternative fuels from the fuel tax law.

The intent of this bill is to encourage all possible liquid fuel technologies and therefore decrease Hawaii's dependency on oil.

Your Committee has amended this bill by:

- (1) Referring to the alternative fuels listed in the general excise tax exemption for the purpose of clarifying the fuels exempted from the fuel tax law; and
- (2) Making a technical nonsubstantive amendment to the general excise tax provision for purposes of clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 103, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 103, S.D. 2.

Signed by all members of the Committee.

SCRep. 800 Ways and Means on S.B. No. 115

The purpose of this bill is to appropriate funds for equipment for the research ship of the Hawaii undersea research laboratory.

Your Committee has amended this bill by replacing the appropriation amounts with blank amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 115, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 115, S.D. 1.

Signed by all members of the Committee.

SCRep. 801 Ways and Means on S.B. No. 163

The purpose of this bill is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$7,000,000, to assist the Wailuku River Hydroelectric Power Company, Inc., in the establishment of a hydroelectric power plant and related facilities on the Wailuku River and Kalohewahewa Stream in the county of Hawaii. The issuance of the special purpose revenue bonds will result in establishment of a hydroelectric power plant which will help to reduce Hawaii's dependence on imported oil.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 163 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 802 Ways and Means on S.B. No. 200

The purpose of this bill is to allow the customers of telephone companies in a particular county to be assessed an emergency telephone service fee which will be used to defray the cost incurred by a county in establishing and operating an enhanced 911 emergency telephone services system.

Your Committee has amended this bill by changing the appropriation to each county to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 200, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 200, S.D. 2.

Signed by all members of the Committee.

SCRep. 803 Ways and Means on S.B. No. 277

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$42,000,000, to finance the acquisition of land and the establishment of transmission lines, generating facilities, other power plant additions, and electrical systems for the Kauai Electric Division of the Citizens Utilities Company.

Your Committee finds that this bill will assist the Kauai Electric Division of the Citizens Utilities Company to improve its capacity to provide reliable electrical energy to the residents of Kauai. Because the planned improvements will result in lower electrical energy bills to Kauai ratepayers, your Committee finds that the purpose of this bill is consistent with the public's interest.

To ensure that the legislature is fully informed of the nature and status of any project financed under this measure, your Committee has incorporated a provision into section 3 of this bill to require the public utilities commission and the utility receiving assistance to report to the legislature on the extent to which the undertakings funded under this bill support the State's energy policies.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 277, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 277, S.D. 2.

Signed by all members of the Committee.

SCRep. 804 Ways and Means on S.B. No. 431

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in amounts up to \$6,000,000 for the purpose of assisting ETV Hawaii/Elephant Television, Inc., in the generation of new capital for the construction and operation of its proposed television and film industry production and training facility on Maui.

Your Committee finds that this project has the potential to: provide needed film industry education that currently is lacking in Hawaii; create a new industry on Maui; and benefit the State by creating a pool of trained production professionals and improved infrastructure that will assist in the attraction of television and film projects to the State.

Your Committee further finds that the issuance of special purpose revenue bonds is in the public interest to assist ETV Hawaii/Elephant Television, Inc., with the construction of its production and training facility, and is consistent with part IV of chapter 39A, Hawaii Revised Statutes, authorizing assistance to a processing enterprise.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 431, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 431, S.D. 1.

Signed by all members of the Committee.

SCRep. 805 Ways and Means on S.B. No. 1176

The purpose of this bill is to appropriate moneys to the county of Hawaii to aid in the coordination of various services, private and public, in preparation for the total solar eclipse on July 11, 1991.

The solar eclipse is a unique event which will attract a large number of visitors to the Big Island from around the world. Astronomers from the continental United States, as well as from other parts of the world, will be conducting experiments on the Big Island, while magazines and other media will also have crews covering the event.

Your Committee finds that it is estimated that an additional 20,000 people will be on the Big Island on or around July 11, and hotels have been booked for months, even years in advance and there are no rental cars available for that date. This increase in visitors raises concerns about public safety, traffic, and other services on the days of and around the event. There is a need for research and coordination to determine how private and public resources will be impacted and how the stress on public systems and programs can be minimized, and for communication of safety and eclipse information.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1176, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1176, S.D. 2.

Signed by all members of the Committee.

SCRep. 806 Ways and Means on S.B. No. 1243

The purpose of this bill is to permit the chairperson of the public utilities commission (PUC) to appoint legal secretaries, economists, and enforcement officers exempt from chapters 76 and 77.

Your Committee finds that the PUC needs increased staff to handle a growing load of dockets, including those involving energy utility regulation. Your Committee finds that the addition of exempted staff will aid the PUC in handling its investigations, hearings, and decisions on a timely basis.

Your Committee has amended the bill by making minor technical nonsubstantive changes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1243, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1243, S.D. 2.

Signed by all members of the Committee.

SCRep. 807 Ways and Means on S.B. No. 1388

The purpose of this bill is to create a Hawaii film facility special fund. The fund will be used as a depository for moneys received from rental of the facility and its props, and for legislative appropriations. The moneys are appropriated for the operation and maintenance of the facility by the department of business, economic development, and tourism.

Your Committee finds that a site for a permanent film facility at Diamond Head has been set aside by executive order, and that permits have been granted for the facility by the city and county of Honolulu. Your Committee finds that a special fund would be an appropriate vehicle for the collection and disbursement of funds related to rental of the facility.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1388 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 808 Ways and Means on S.B. No. 1398

The purpose of this bill is to authorize the department of business, economic development, and tourism to transfer moneys among the department's business loan revolving funds as the need arises. The revolving funds involved are the large fishing vessel loan program, the small fishing vessel loan program, the capital loan program, and the innovation development loan program. Granting the department the authority to transfer moneys between these revolving funds as the need arises, gives the State the capability of making loans or otherwise providing funds to deserving applicants without the need to appropriate general revenues into a particular program that might be short of money.

Your Committee has amended this bill by requiring the department to report to the legislature every transfer made under this Act within ten days of the transfer.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1398, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1398, S.D. 1.

Signed by all members of the Committee.

SCRep. 809 Ways and Means on S.B. No. 1522

The purpose of this bill is to grant a franchise for electric service for the island of Maui, State of Hawaii, to Maui Electric Company, Limited.

Maui Electric Company, Limited (MECO) has four different franchises covering various districts of the island of Maui, which are "grandfathered" under section 269-7.5, Hawaii Revised Statutes. Your Committee understands that the purpose of the franchise proposed in this bill is to eliminate confusion or conflict between the terms and conditions of these existing franchises and to simplify their administration.

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

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1522, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1522, S.D. 2.

Signed by all members of the Committee.

SCRep. 810 Ways and Means on S.B. No. 1596

The purpose of this bill is to provide an exemption from the imposition of the general excise tax on amounts received from the lease of alternative energy power plant equipment. This exemption is intended to lower the cost and encourage the development of alternate energy power facilities. "Alternative energy power plant equipment" is defined as any equipment, apparatus, or the like, including parts, accessories, and replacements used to generate electricity through the use of geothermal power.

Your Committee finds that development activities for alternate energy sources must be encouraged to reduce Hawaii's nearly total dependence on imported oil. This bill would reaffirm the State's policy to be fully committed to the development of renewable alternate energy resources.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1596, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 811 Ways and Means on S.B. No. 1726

The purpose of this bill is to authorize the department of budget and finance to issue special purpose revenue bonds in a total amount not to exceed \$5,000,000, for the purpose of assisting Puna Geothermal Venture in financing geothermal energy projects in Puna, Hawaii.

Your Committee finds that this bill will increase the State's energy self-sufficiency by contributing to the transition to indigenous energy resources and decreasing Hawaii's reliance on imported oil for energy.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1726, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 812 Ways and Means on S.B. No. 1892

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist Olokele Sugar Company with the construction and operation of an upgraded boiler system to enable Olokele Sugar Company to supply more electrical power to Kauai Electric Company.

Your Committee finds that this bill will enable Olokele Sugar Company to provide five megawatts of capacity and 40,000,000 kilowatts of energy per year to Kauai Electric Company, thus reducing the utilization of fossil fuels for electrical energy and promoting the State's goal of energy self-sufficiency.

Your Committee has amended this bill by:

- (1) Amending section 1 to change the number of kilowatts of energy that Olokele Sugar Company is expected to generate from 40,000 to 40,000,000;
- (2) Amending section 3 to specify that the activity and facilities of Olokele Sugar Company, rather than this activity of the Olokele Sugar Company, constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1892, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1892, S.D. 1.

Signed by all members of the Committee.

SCRep. 813 Ways and Means on S.B. No. 1998

The purpose of this bill is to allow banks and other financial corporations to participate in the State's energy conservation program by offering these taxpayers the same energy conservation tax credits offered to other taxpayers under section 235-12, Hawaii Revised Statutes, for the taxable years beginning after December 31, 1990.

Many financial institutions that lease energy conservation equipment are subject to the franchise tax rather than the corporate income tax to which section 235-12, Hawaii Revised Statutes, applies. As a result they are not eligible to claim any energy conservation tax credits and must charge higher monthly payments on their energy conservation equipment leases.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1998 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 814 Ways and Means on S.B. No. 2135

The purpose of this bill is to make an appropriation for purchasing and distributing hand-held solar viewing filters and related solar eclipse and eye protection educational material.

On July 11, 1991, Hawaii will experience a one hundred per cent total eclipse of the sun. The island of Hawaii is projected to be the best site in the State to view the eclipse. It is anticipated that thousands of island residents will attempt to view this once in a lifetime experience. Direct viewing of any portion of the eclipse without proper eye protection could result in severe eye injury. Proper technique and equipment for viewing the eclipse is imperative to avoid injury, without them many Hawaii residents risk serious eye injury.

Your Committee finds that there are inexpensive hand-held solar viewing filters known as "Sun Peeps" that are readily available. Given the historic nature of this solar eclipse, your Committee finds that there is a high risk of eye injury to many Big Island residents. Your Committee finds that the State must get involved to educate and disseminate "Sun Peeps" to residents of the Big Island, and thus hopefully reduce the number of persons who incur eye injury.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2135, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 815 Ways and Means on S.B. No. 712

The purpose of this bill is to extend the period of the public service company tax exemption for contract carriers by water that are engaged primarily in the business of transporting persons interisland from 1991 to 1996.

Enacted in 1981, this exemption was intended to stimulate the tourist industry by encouraging the transportation of tourists within the State by water and to lower the operating costs of contract carriers during the initial years of operation. However, the contract carriers continue to be faced with financial liabilities that warrant support from the State.

Your Committee finds that contract carriers directly and indirectly generate substantial business, employment, and taxes for the State. Your Committee further finds that the exemption is necessary for contract carriers to maintain the high quality of services necessary to compete successfully against foreign cruise ships in the tourist industry.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 712 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 816 Ways and Means on S.B. No. 732

The purpose of this bill is to change the State's share of the transient accommodations tax (TAT) collections from five per cent to an unspecified percentage and to allow the State to use its share for additional purposes. Currently, the State retains five per cent of the TAT revenues to cover the costs of administering the tax and distributing the remainder to the counties.

Your Committee has amended this bill to include statutory material that was inadvertently omitted from section 237D-6.5, Hawaii Revised Statutes, and to make a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 732, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 817 Ways and Means on S.B. No. 1216

The purpose of this bill is to accelerate the payment and collection of withholding income taxes, general excise taxes, transient accommodations taxes, and banks and other financial corporations taxes for certain taxpayers in order to maximize the State's interest revenues on the investment of these funds. Taxpayers with tax liabilities exceeding \$100,000 a year would be required to file and pay these taxes by the tenth day of the month following the accrual of the taxes.

Currently, withholding taxes are required to be paid by the fifteenth day of the calendar month following the month for which the taxes have been withheld, general excise and transient accommodations taxes must be paid by the end of the calendar month following the accrual of taxes, and financial institutions pay their taxes in four equal quarterly installments starting on the twentieth day of the fourth month following the end of the taxable year.

Your Committee finds that income taxes withheld from employees by employers are moneys that would otherwise have been paid to employees at that date and employers have free use of the moneys until they are actually paid over to the department of taxation. In 1975, the legislative auditor recommended that the department receive taxes withheld by employers on a more frequent basis since the State is denied the use or benefit of moneys withheld during the time period until the taxes are due to the department. Presently, federal law requires more frequent payments on withheld taxes than state law.

Upon further consideration, your Committee has amended this bill by deleting the sections that affect the general excise and the transient accommodations taxes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1216, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 818 Ways and Means on S.B. No. 1217

The purpose of this bill is to make the interest payment dates the same throughout the tax administration law and to eliminate any interest windfall for taxpayers filing for a tax refund ninety days after the prescribed filing date.

Currently, interest is added to a tax refund when certain time limits for processing a tax return filed with the department of taxation are exceeded. Interest must be added when (1) the director of taxation approves a refund voucher after the later of ninety days from the date the tax return was received by the department or the prescribed filing date, or (2) the comptroller sends the refund check after forty-five days from the voucher approval date. Interest is also added to a tax refund when a taxpayer files for a tax refund after ninety days from the prescribed filing date for the tax return. If either the director or comptroller exceeds the time limits, the interest is computed from the prescribed filing date of the return to the date the comptroller sends the refund check to the taxpayer. In the case of the claim for a refund filed after ninety days from the prescribed filing date, interest is computed from the first day of the month following the prescribed filing date until the date the refund voucher is approved.

The amendments to the law in this bill will provide for the computation of interest in a manner comparable to Internal Revenue Code Sections 6611(b)(3), with respect to tax overpayments and 6601(a), with respect to interest on underpayments of tax.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1217 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 819 Ways and Means on S.B. No. 1218

The purpose of this bill is to require public service companies to file amended tax returns to adjust the estimated tax returns filed in the first two years of operation. Shifting the burden of reconciliation of the actual and estimated returns on the public service company will facilitate the administration of the public service company tax. This bill also allows the filing of returns on a fiscal year basis other than a calendar year.

Your Committee finds that this bill generally will simplify the accounting and recordkeeping functions for public service companies using fiscal years other than calendar years. However, your Committee also finds that requiring certain public service companies to make payments on a monthly schedule would not simplify the accounting and recordkeeping functions. Accordingly, your Committee has amended this bill by deleting the provisions requiring any monthly payment schedules of public service company taxes.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1218, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 820 Ways and Means on S.B. No. 1812

The purpose of this bill is to amend the liquor tax law by:

- (1) Repealing the "escalator" clause applicable to the tax rates;
- (2) Repealing the requirements of dealers and others holding liquor licenses to include the dollar volume of sales on their tax returns and recordkeeping; and
- (3) Repealing the definition of "unit price".

Your Committee has amended this bill by:

- (1) Setting new rates for all categories of liquor as recommended by the department of taxation;
- (2) Retaining the recordkeeping and reporting requirements; and
- (3) Adding a "drop-dead" clause.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 1812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1812, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 821 Ways and Means on S.B. No. 2025

The purpose of this bill is to amend section 235-2.4, Hawaii Revised Statutes, to allow Internal Revenue Code section 1034(a) (deferral of gain provisions), to apply in an unlimited manner to a taxpayer serving on extended active duty with the armed forces of the United States at the time of sale of the residence.

Your Committee agrees with testimony from the department of taxation concerning the administration of the provision, and has amended this bill to provide for proper administration of the deferral of gain provision by specifying that the eligible military personnel shall have served in Hawaii and are under orders to leave Hawaii for another station.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2025, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 822 Judiciary on S.B. No. 1843

The purposes of this bill are: (1) to define a class of firearms as "assault firearms" both by reference to characteristics of the firearm, such having a fixed magazine with a capacity exceeding eighteen rounds, and by specifying certain specific firearms, such as the AK-47 and the Uzi; (2) to require registration, by July 1, 1992, of any "assault firearms" lawfully obtained prior to July 1, 1991; (3) severely restrict the transferability of "assault firearms" after July 1, 1991; and (4) prohibit detachable firearm magazines with a capacity in excess of eighteen rounds, including those acquired before the effective date of July 1, 1991.

Public Hearing

Your Committee held a public hearing on February 19, 1991, in the Capitol auditorium, received voluminous written testimony, and heard over three hours of oral testimony.

At the close of the hearing, the chair deferred decision making, but commented on aspects of the presentations of both the proponents and the opponents.

To the bill's opponents the chair expressed his belief that the Second Amendment to the Constitution of the United States did not inhibit the ability of any state legislature to enact any regulation or prohibition on the possession or ownership of any or all firearms. As discussed below, that opinion has not changed.

To the bill's proponents the chair requested supplemental testimony:

- (1) To address the appropriateness of designating weapons "types" in light of the decision in *State v. Grahovac*, 52 Hawaii 527, 480 P.2d 148 (1971) instead of designating specific models and relying on the language which extends the provisions of the bill to all "clones" of the specified models; and
- (2) To establish the specific characteristics of each assault weapon which made it "ultrahazardous."

The first week was primarily for the Attorney General and other proponents to buttress their generalized testimony. The second week was primarily for the bill's opponents to review and critique the supplemental testimony of the proponents.

The Attorney General submitted the proponents' supplemental testimony on February 26, 1991, a volume entitled "A Report To the Senate Judiciary Committee on Assault Weapons Included in S.B. No. 1843." Addressing the issue in *Grahovac*, 52 Hawaii 527, 480 P.2d 148 (1971), the Attorney General proposed to the Committee that additional specific models be inserted, including 12 models of the specific models be inserted, including 12 models of the AK "type" weapon, in lieu of reliance on the word "types."

The opponents of the bill were given several copies of the Attorney General's supplemental testimony on February 27, 1991. They submitted detailed rebuttal/supplemental testimony on March 5, 1991. At 4:30 p.m. on March 5, 1991, the Committee closed the record.

The threshold issue, in decision making was the bill's opponents' Second Amendment argument.

The Federal Constitution: The Second Amendment Argument

"A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed."

Since S.B. No. 1843 was first introduced, your Committee has received a steady and voluminous flow of material on the meaning of the Second Amendment, including five law review articles, a book, a reprint of a Congressional subcommittee report and over a hundred letters and testimonies. In addition, the Legislative Reference Bureau published a monograph entitled A Clash of Arms: The Great American Gun Debate which contains a section on the Second Amendment.

There are essentially two competing theories on the scope of the Second Amendment: the "collective right" theory versus the "individual right" theory.

Individual Right. The "individual rights" theory holds that the framers of our federal constitution used the word Militia to mean a universally armed people and not any specifically organized unit. This interpretation allows the reference to "the right of the people" to be seen as an individual right and allows that phrase to be given the same meaning in the Second Amendment that it is given in the First Amendment and the Fourth Amendment. Proponents of this theory believe that the Second Amendment was applied to the several States by incorporation through the 14th Amendment. A good discussion of the "individual right" theory can be found in the February 1982 "Report of the Subcommittee on the Constitution of the Committee on the Judiciary of the United States Senate, Ninety-Seventh Congress."

While the "individual rights" theory has support from some legal scholars, historical documents contemporaneous with the founding of our nation and English tradition since the laws of Alfred the Great in the 9th Century, it has failed to persuade any federal appellate court. A number of state courts have been persuaded to interpret their state constitutions as creating an individual right.

Collective Right. The "collective right" theory holds that the right to bear arms is only a collective right of the state militia. The Second Amendment, under this theory, prohibits only the federal government from interfering with the right of the states to maintain a militia. This theory focuses on the words "A well regulated Militia, being necessary to the security of a free State" and interprets them as a limitation on the scope of the right to bear arms. This theory does not even apply the Second Amendment to the states, which are free to regulate or even ban any and all firearms.

Because interpretation of the Second Amendment by the Supreme Court of the United States has been infrequent (only once in this century), somewhat peripheral (not involving a ban on any firearm) and muddled, it is impossible to decide the issue without reviewing the decisions of the circuit courts of appeal which apply the decisions of the Supreme Court.

The "collective right" theory has been adopted in every instance where the issue has been directly addressed by an appellate level federal court. The following cases are illustrative: United States v. Nelsen 859 F.2d 1318 (8th Cir. 1988); United States v. Johnson 497 F.2d 548 (4th Cir. 1974); Stevens v. United States 440 F.2d 144 (6th Cir. 1971); United States v. Tot 131 F.2d 261 (3rd Cir. 1942), rev. on other grounds, 319 U.S. 463 (1943). An actual ban was involved in the case of Quilici v. Village of Morton Grove, 695 F.2d 261 (7th Cir. 1982), cert. denied, 104 S.Ct. 194 (1983).

The Court of Appeals for the Seventh Circuit, in Quilici v. Village of Morton Grove, applied the United States Supreme Court's decision in Presser v. Illinois, 116 U.S. 252 (1886) in very firmly finding that the Second Amendment supported only the collective right of the states to maintain their militia without federal interference:

"It is difficult to understand how appellants can assert that Presser supports the theory that the second amendment right to keep and bear arms is a fundamental right which the state cannot regulate when the Presser decision plainly states that '[t]he Second Amendment declares that it shall not be infringed, but this means no more than that it shall not be infringed by Congress.' This is one of the amendments that has no other effect than to restrict the powers of the National government"

The Supreme Court of the United States received a discretionary petition appealing the decision of the Seventh Circuit but declined it.

Having reviewed the relevant case law and recognizing that it is the province of the federal courts to interpret the Constitution of the United States, it is the opinion of your Committee that the Second Amendment does not limit a state legislature from considering legislation such as is before us in S.B. No. 1843. In fact, the Second Amendment is entirely irrelevant to any state legislature decision.

The State Constitution: Article I, Section 17.

Federal courts are the interpreters of the federal constitution and we must accept the validity of the "collective right" theory as it applies to the Second Amendment. However, there is an identical provision in the Constitution of the State of Hawaii.

Your Committee is mindful that there has been no judicial interpretation of Article I, Section 17 of the Constitution of the State of Hawaii (the counterpart to the federal Second Amendment). Therefore, your Committee reviewed the history of this section from the 1950 Constitutional Convention through the 1978 Constitutional Convention. Of special interest is Committee of the Whole Report No. 5, from Volume 1 of the 1950 proceedings, which reads, at page 303, in pertinent part:

"This section incorporates the 2nd Amendment to the Federal Constitution. Your Committee wishes to make it clear that this section will not render invalid the existing laws of the Territory, which will be continued in effect by the State Constitution, relating to the registration, possession and carrying of firearms, not will it prevent the legislature from passing other reasonable restrictions on the right to acquire, keep or bear firearms or other weapons, including the power of the legislature to entirely prohibit the possession of such modern and excessively lethal weapons as machine guns, silencers, bombs, atomic weapons, etc. Upon this understanding, your Committee recommends the adoption of this section."

Your Committee wishes to acknowledge that the Department of the Attorney General shared its research on the State constitutional provision.

Your Committee, after much reflection and soul searching, has concluded that Article I, Section 17 creates an "individual right" for citizens of this State to keep and bear arms. While this right is far from an absolute one, your Committee believes that, in order to prohibit the possession of firearms, there must be a finding that the weapons are "excessively lethal." The Attorney General does not share this opinion.

At the close of the hearing on February 19, 1991, the Chair had asked for supplemental testimony on the specific characteristics that made each of the listed weapons "ultrahazardous." Although the Chair had not read the record of the constitutional conventions at that time, the concepts of "ultrahazardous" and "excessively lethal" are interchangeable.

Your Committee has reviewed the proponents' supplemental testimony on each listed weapon with an open mind and concludes that the firearms listed are not "excessively lethal" with one or two possible exceptions.

In fact, the proponents of the bill do not agree that a finding of "excessively lethal" is required and believe the legislature can use the federal criteria for importation of weapons, which is the "sporting purposes" test adopted by the federal government for purposes of determining the importability of certain semi-automatic rifles. If your Committee agreed that such was the standard, it would have included virtually all of the weapons on the bill as introduced.

Your Committee applied, as it believes it must, an "excessive lethal" criteria to the listed weapons and quickly excluded virtually all of the weapons. For example, the presence of a folding stock does not make a carbine or rifle "excessively lethal". While it may make it somewhat more concealable, it is still far less concealable than any pistol. Similarly, an attachment for a bayonet does not make a gun "excessively lethal" because it is the ability to fire bullets that makes a gun lethal.

Without belaboring the point, your Committee and the Attorney General disagree on the constitutional issue and, therefore, apply different standards. This disagreement may be clarified, and even resolved, as the bill progresses through the legislature.

Your Committee recognizes that further deliberations may clarify the import of Article I, Section 17 and, if it is applicable, wish to allow the proponents to address that standard. Therefore, the bill is drastically amended by deleting its entire substance, to reflect your Committee's understanding of the dictate of Article I, Section 17, and substituting a simple amendment to require the registration of all firearms.

Your Committee is essentially saying that it feels constrained, by the Constitution of the State of Hawaii, to reject the substance of the proposed bill. However, we wish to give the proponents a chance to convince the legislature that: (1) the State constitution does not limit our action in this regard, or (2) even if it does, these weapons are "excessively lethal." If the House of Representatives comes to a different conclusion than your Committee has reached, we invite them to replace the deleted provisions and will consider all further arguments in conference committee.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1843, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 823 Judiciary on S.B. No. 1347

The purpose of this bill is to clarify child protective services provided by adoption, foster care, and guardianship.

More specifically, the bill:

- (1) Establishes a financial assistance program to provide potential adoptive parents extra support for children with special needs.
- (2) Restates the safe home guidelines to make it more understandable and useful to the child welfare worker.
- (3) Provides clarification to the permanent plan and planning hearings to assure that adoption is looked to as the best solution for children unable to return to their families, followed by guardianship and permanent foster custody.

Your Committee received supplemental testimony in support of the bill from the Department of Human Services and the Judiciary.

Your Committee has amended the bill by:

- (1) Including guardianship along with adoption and permanent custody as a permanent plan for the child once it has been clearly determined that the child cannot return home.
- (2) Amending the service plan by ensuring full involvement not only with those families who also have guardianship or permanent custody of the child
- (3) Clarifying the petition for court jurisdiction by requiring a concise statement of the basis for the allegations of harm.
- (4) Broadening the scope of permanency beyond adoption to include guardianship or permanent custody and clarifies the process for consideration of each permanency goal.
- (5) Amending the need to list facts which bring the child to the court's attention to a concise statement of the basis for the allegation.
- (6) Retaining the original language regarding persons who submit written reports being subject to cross-examination unless unavailable as the current court practice is to ensure that there is good reason for that person's unavailability.

(7) Deleting the words "available" and "emergency" as these refer to the definitions of reasonable efforts and emergency foster care which have been removed.

(8) Amending the section cited for adoption to Chapter 578, Hawaii Revised Statutes, and specifies the conditions for considering the goal of adoption, guardianship or permanent custody, in that order, for the child who is unable to return to the family home.

(9) Changing the title of Section 587-34, Hawaii Revised Statutes, to "Guardian Ad Litem; Court Appointed Counsel.

(10) Respecifying the criteria for discontinuing the 15-day notice of review hearings.

(11) Removing the requiring of the drafters of a report to show good cause to the court if they are unavailable for questioning.

(12) Removing the term "emergency" from "foster care" to allow for permanent foster care.

(13) Amending the list of those to be provided notice of review hearings to include all parties.

(14) Specifying that the court will terminate jurisdiction if the child's family is able to fulfill the provisions of the review hearing.

(15) Adding several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1347, S.D. 1, as amended herein, and recommends that it pass Third Reading, in the form attached hereto as S.B. No. 1347, S.D. 2.

Signed by all members of the Committee except Senators Crozier, McMurdo, Koki and Reed.

SCRep. 824 Transportation and Intergovernmental Relations on S.C.R. No. 64

The purpose of this resolution is to support the nomination and urge confirmation of Patricia F. Saiki as administrator of the United States Small Business Administration.

Patricia Saiki has been a public servant to Hawaii for nearly twenty-five years, beginning with her election to the 1968 Constitutional Convention, as a legislator for fourteen years, and as an able and effective Congresswoman for four years. During that time she was capable, conscientious, and well-respected by her colleagues. She is eminently qualified to head the United States Small Business Administration by virtue of her many years of experience on the Boards of Directors of Amfac, Inc. and Hawaiian Airlines, as well as her tenure on the House Committee on Banking, Finance and Urban Affairs.

Small business is the backbone of both Hawaii's economy, and that of our nation, and your Committee feels that both will be well-served with Patricia Saiki at the helm of the United States Small Business Administration.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. 64, and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

SCRep. 825 Transportation and Intergovernmental Relations on S.R. No. 55

The purpose of this resolution is to support the nomination and urge confirmation of Patricia F. Saiki as administrator of the United States Small Business Administration.

Patricia Saiki has been a public servant to Hawaii for nearly twenty-five years, beginning with her election to the 1968 Constitutional Convention, as a legislator for fourteen years, and as an able and effective Congresswoman for four years. During that time she was capable, conscientious, and well-respected by her colleagues. She is eminently qualified to head the United States Small Business Administration by virtue of her many years of experience on the Boards of Directors of Amfac, Inc. and Hawaiian Airlines, as well as her tenure on the House Committee on Banking, Finance and Urban Affairs.

Small business is the backbone of both Hawaii's economy, and that of our nation, and your Committee feels that both will be well-served with Patricia Saiki at the helm of the United States Small Business Administration.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. 55, and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

LCRep. 826 Executive Appointments on Gov. Msg. No. 60

Recommending that the Senate advise and consent to the nomination of ROBERT A. ALM for Director, Department of Commerce and Consumer Affairs, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 827 Executive Appointments on Gov. Msg. No. 66

Recommending that the Senate advise and consent to the nomination of WILLIAM W. PATY for Chairperson, Board of Land and Natural Resources, term to expire December 31, 1994.

Signed by all members of the Committee.

SCRep. 828 Transportation and Intergovernmental Relations on S.R. No. 8

The purpose of this Resolution is to request the Director of Transportation to study the feasibility of reducing traffic in heavily congested areas during peak hours by eliminating subsidized parking and limiting extended-hour parking.

Your Committee received testimony in support of the Resolution from Leeward Oahu Transportation Management Association, the Chamber of Commerce of Hawaii, the Department of Transportation, and Charley's Taxi and Tours.

Your Committee finds that traffic congestion is a serious problem and parking management strategies are a critical component of any transportation demand management program. Your Committee also finds that the study proposed by this Resolution will be a valuable aid in developing such strategies.

Your Committee has amended the Resolution by requesting specific recommendations on parking fees and that the study consider alternative strategies to reduce traffic congestion.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 8, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 8, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 829 Transportation and Intergovernmental Relations on S.C.R. No. 5

The purpose of this Concurrent Resolution is to request the Director of Transportation to study the feasibility of reducing traffic in heavily congested areas during peak hours by eliminating subsidized parking and limiting extended-hour parking.

Your Committee received testimony in support of the Concurrent Resolution from Leeward Oahu Transportation Management Association, the Chamber of Commerce of Hawaii, the Department of Transportation, and Charley's Taxi and Tours.

Your Committee finds that traffic congestion is a serious problem and parking management strategies are a critical component of any transportation demand management program. Your Committee also finds that the study proposed by this Concurrent Resolution will be a valuable aid in developing such strategies.

Your Committee has amended the Concurrent Resolution by requesting specific recommendations on parking fees and that the study consider alternative strategies to reduce traffic congestion.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 5, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 5, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 830 Transportation and Intergovernmental Relations on S.R. No. 9

The purpose of this Resolution is to request a study on the effectiveness of High Occupancy Vehicle (HOV) throughways to alleviate Hawaii's traffic congestion problem.

Your Committee received testimony in support of this Resolution from Leeward Oahu Transportation Management Association, the Chamber of Commerce of Hawaii, the Department of Transportation, and Charley's Taxi.

Your Committee finds that a study has already been conducted on this subject by Hawaii Pacific Engineers, Inc., Consulting Engineers.

Your Committee has therefore amended this Resolution by requesting the Department of Transportation to conduct a study, using the existing study as a starting point, on ways to implement the HOV throughways and to determine other alternatives that might be feasible in congested corridors during peak traffic hours.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 9, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 9, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 831 Transportation and Intergovernmental Relations on S.C.R. No. 6

The purpose of this Concurrent Resolution is to request a study on the effectiveness of High Occupancy Vehicle (HOV) throughways to alleviate Hawaii's traffic congestion problem.

Your Committee received testimony in support of this Concurrent Resolution from Leeward Oahu Transportation Management Association, the Chamber of Commerce of Hawaii, the Department of Transportation, and Charley's Taxi.

Your Committee finds that a study has already been conducted on this subject by Hawaii Pacific Engineers, Inc., Consulting Engineers.

Your Committee has therefore amended this Concurrent Resolution by requesting the Department of Transportation to conduct a study, using the existing study as a starting point, on ways to implement the HOV throughways and to determine other alternatives that might be feasible in congested corridors during peak traffic hours.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 6, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 832 Employment and Public Institutions on H.B. No. 816

The purpose of this bill is to authorize the Comptroller to deposit moneys received from settlements of claims or losses of state property into the State Risk Management Revolving Fund.

Currently, such moneys are deposited into the State General Fund. Your Committee finds that this bill will help provide the funding needed to ensure timely restoration of public services and repair or replacement of state property.

Your Committee has amended this bill by making nonsubstantive technical changes for the purpose of style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 816, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 816, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 833 Employment and Public Institutions on H.B. No. 966

The purpose of this bill is to appropriate \$568,486.91 to be expended by the Department of Public Safety to pay victims of violent crimes who were awarded compensation by the Criminal Injuries Compensation Commission in calendar year 1990.

Eligible victims, or their providers of services, were in large part awarded compensation for out-of-pocket medical expenses, loss of earnings, funeral and burial expenses, and pain and suffering.

Your Committee finds that this bill is necessary to enable the State to keep its commitment to victims of violent crimes as contemplated by Chapter 351, Hawaii Revised Statutes.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. 966 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 834 Employment and Public Institutions on H.B. No. 985

The purpose of this bill is to authorize the Governor to transfer funds between existing state programs for the purpose of paying Workers' Compensation claims against the State accrued during the current fiscal year.

The amount budgeted to pay Workers' Compensation claims against the State for fiscal biennium 1989-1991 was established in 1988 and, at that time, the Department of Personnel Services did not foresee that it would be required to assume responsibility for management of the Department of Education's Workers' Compensation claims.

Based on projections forecasting the expenditure of approximately \$1 million per month, the original appropriation of \$9,724,600 will not be sufficient to meet the needs of the current fiscal year. This bill is recommended by the Governor for immediate passage in order to enable the State to meet its Workers' Compensation obligations prior to the close of the 1989-1991 fiscal biennium.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 985, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 835 Employment and Public Institutions on H.B. No. 987

The purpose of this bill is to simplify the process used to make pay adjustments for public employees in shortage category classes.

The present method requires complex and manually processed arithmetic computations each time a shortage category employee receives a pay adjustment, rendering the process subject to human error and placing stress on administrative support staff responsible for carrying out this tedious function. Under this bill, pay for all employees, whether new or

existing, will be determined on the basis of current salary schedules and applicable provisions in collective bargaining contracts.

Your Committee finds that this bill will increase the efficiency and accuracy of important state personnel functions and significantly improve administration of the shortage category classes.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 987, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 836 Employment and Public Institutions on H.B. No. 998

The purpose of this bill is to strengthen the ability of the Department of Labor and Industrial Relations to enforce violations of Department laws or rules.

Specifically, the bill authorizes the Director to impose fines of up to \$500 for each violation of the Workers' Compensation Law (Chapter 386, Hawaii Revised Statutes), the Temporary Disability Law (Chapter 392), the Prepaid Health Care Law (Chapter 393), and the General Provisions of the Department (Chapter 371), or rules adopted pursuant to those chapters, for which no penalty is otherwise provided. The Director must notify the violator of the violation in writing and afford the violator the opportunity to refute the charge.

Fines collected for violations of the Workers' Compensation Law will be deposited into the Workers' Compensation Special Fund; those collected for violations of the Temporary Disability Law will be deposited into the Special Fund for Disability Benefits; and those collected for violations of the Prepaid Health Care Law will be deposited into the Special Premium Supplementation Fund.

Your Committee finds that current law is ambiguous as to the ability of the Department to enforce violations without filing criminal charges. This bill will give the Department flexibility to carry out its enforcement duties with increased efficiency and effectiveness without depriving the alleged violator of due process.

Your Committee has amended this bill by changing the maximum fine from \$500 to \$250 per violation. In addition, your Committee has clarified that the violator has twenty-one days after receipt of the notice to respond to the charges, and that only the fines collected pursuant to the new statutory authority provided in this bill shall be deposited into the Special Funds.

Your Committee has also made nonsubstantive technical changes for the purpose of style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 998, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 998, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 837 Employment and Public Institutions on H.B. No. 999

The purpose of this bill is to require insurers to maintain complete claims service offices in the State to process claims for Workers' Compensation.

Currently, insurance carriers and self-insured employers are not required by law to maintain local offices with draft authority, and thus the Department of Labor and Industrial Relations has experienced difficulties in enforcing timely payment of Workers' Compensation claims by out-of-state insurers. Sometimes claims processing is impeded, necessitating that eligible claimants wait a protracted time period before needed compensation is forthcoming.

This bill will make the claims process more efficient and help ensure that eligible claimants receive their benefits on a timely basis.

Your Committee has amended this bill by providing that the insurance companies must establish and maintain their claims service offices by January 1, 1992 and making the bill effective upon approval.

Your Committee has also made several nonsubstantive technical changes, including placing the authority of the Attorney General to act for the Director of Labor and Industrial Relations in enforcing violations by insurers in a separate subsection of the proposed new section. Other nonsubstantive amendments have been made for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 999, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 2, S.D. 1, and be referred to the Committee on Consumer Protection and Business Regulation.

Signed by all members of the Committee.

SCRep. 838 Employment and Public Institutions on H.B. No. 1003

The purpose of this bill is to amend Section 386-153, Hawaii Revised Statutes, by changing references therein to Sections 431-318 and 431-318(a) to Section 431:7-202.

The Insurance Code was recodified effective July 1, 1988; however, in subsequent technical revision measures to correct citations in other sections of the law which were not changed pursuant to the recodification, reference to the above Sections as they occur in Section 386-153 were inadvertently overlooked. This bill corrects that oversight.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1003 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 839 Employment and Public Institutions on H.B. No. 1005

The purpose of this bill is to clarify that the Deputy Executive Director of the Civil Rights Commission is exempt from Chapters 76 and 77, Hawaii Revised Statutes.

Your Committee finds that the Commission's Executive Director, as well as its attorneys and hearing officers are civil service exempt, and it is appropriate for the Deputy Executive Director to serve on the same basis. The omission of reference to the Deputy Executive Director from Section 386-3(8), Hawaii Revised Statutes, was a technical oversight.

Your Committee has amended this bill by making several technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1005, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1005, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 840 Employment and Public Institutions on H.B. No. 1038

The purpose of this bill is to provide fund authorizations and appropriations for Collective Bargaining Unit (3) cost items negotiated between the State and the exclusive bargaining unit representative for fiscal biennium 1991-1993.

Pursuant to Section 89-10, Hawaii Revised Statutes, fund authorizations and appropriations are necessary to cover the expected costs associated with the new bargaining agreement currently under negotiation and expected to take effect on July 1, 1991. If the agreement is not reached in time to include the cost items in the 1991-1993 biennium budget, this separate measure will be necessary.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1038, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1038, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 841 Employment and Public Institutions on H.B. No. 1039

The purpose of this bill is to provide fund authorizations and appropriations for Collective Bargaining Unit (4) cost items negotiated between the State and the Exclusive Bargaining Unit Representative for fiscal biennium 1991-1993.

Pursuant to Section 89-10, Hawaii Revised Statutes, fund authorizations and appropriations are necessary to cover the costs associated with the new collective bargaining agreement presently being negotiated between the State and the Exclusive Bargaining Unit Representative to be effective July 1, 1991. Since an agreement may not be reached in time to include the cost items in the 1991-1993 Biennium Budget, this separate measure is necessary.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1039, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1039, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 842 Employment and Public Institutions on H.B. No. 1040

The purpose of this bill is to provide wage and other adjustments for fiscal biennium 1991-1993 for officers and employees excluded from collective bargaining.

Section 89C-2, Hawaii Revised Statutes, stipulates that the compensation and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted. Further, Section 89C-5 stipulates that any

adjustments that constitute cost items shall be subject to appropriation by the Legislature. Since these adjustments may not be agreed upon in time to be included in the 1991-1993 biennium budget, this measure is necessary.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1040, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1040, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 843 Employment and Public Institutions on H.B. No. 1041

The purpose of this bill is to provide that the investment yield rate for the State Employees' Retirement System's actuarial valuations shall be eight percent for fiscal years 1990-1991 and 1991-1992.

The investment yield rate is set by law every two years. The current investment yield rate of eight percent expired on June 30, 1990; therefore, this measure is necessary to continue the investment yield rate for another two years.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1041, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 844 Employment and Public Institutions on H.B. No. 1059

The purpose of this bill is to make two changes to the laws relating to the Employees' Retirement System.

SECTION 1 of this bill allows the Director of Finance to send a representative to vote at meetings of the Board of Trustees. SECTION 2 allows members of the contributory plan (Class A), who elected to join the noncontributory plan (Class C) and subsequently reclaimed contributory status, to purchase the years of service in Class C and obtain benefits for those years under the contributory plan.

Your Committee finds that SECTION 1 will enable the Board of Trustees to operate more efficiently while SECTION 2 will affect a limited number of people at minimal cost to the System.

Your Committee has amended this bill by clarifying that the buy-back of Class C years shall be at the rate of pay enjoyed by the member as of the effective date of this bill, and that the member has until one year after the effective date of this bill to exercise this option. Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1059, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1059, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 845 Employment and Public Institutions on H.B. No. 2194

The purpose of this bill is to appropriate \$500,000 for fiscal year 1991-1992 to be expended by the University of Hawaii on salary adjustments for University Administrative, Professional, and Technical (APT) employees in salary ranges APT 9 through APT 15.

Your Committee finds that this bill is necessary to correct an inequity between the amount agreed upon in the Biennium APT Pricing Review done in 1990 and the amount requested by the University in the last fiscal biennium.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 2194, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 846 Tourism and Recreation on H.B. No. 214

The purpose of this bill is to delete the requirement that the Department of Business, Economic Development, and Tourism submit proposals for tourism promotion projects to the Hawaii tourism marketing advisory council before disbursement of any tourism promotion funds. This would streamline the operations of the Office of Tourism, making it more effective in marketing and promotion.

Your Committee received supporting testimony from the Hawaii Hotel Association and Department of Business, Economic Development, and Tourism.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 214 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 847 Tourism and Recreation on H.B. No. 776

The purpose of this bill is to allow trade and other exhibitors to apply for temporary permits to sell liquor at a discount at trade exhibitions and other shows, and appropriate \$10,000 for the planning of an international wine conference upon the condition that none of these funds shall be made available unless matched dollar-for-dollar by private contributions.

Your Committee finds that maintaining and expanding the visitor industry is critical to the economy of the State, and sponsoring an international wine conference would create an additional attraction to the islands.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 776, H.D. 3 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 848 Tourism and Recreation on H.B. No. 1453

The purpose of this bill is to establish the Emergency Revolving Fund to provide a stable source of funding to meet the needs of emergency or extraordinary situations that may affect tourism in the State. The purpose has been amended to appropriate \$6,000,000 for a tourism marketing campaign by the Hawaii Visitors Bureau.

Your Committee has amended the bill by deleting its provisions and inserting provisions which appropriates funds in the amount of \$6,000,000 for a special marketing campaign to promote Hawaii's visitor industry.

Your Committee finds that this bill will help to solve the crisis we have experienced with the recent drastic drop off in tourism in Hawaii. Tourism is one of Hawaii's most important income contributors, and we should do all we can to attempt to alleviate the current downturn and get our industry on the road to recovery.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 1453, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1453, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 849 Tourism and Recreation on H.B. No. 675

The purpose of this bill is to expand the income splitting provisions relating to general excise taxes generated by "tourism related services." This includes lei greetings, transportation included in a tour package, admissions to luaus, dinner shows and other services rendered to the customer or tourist directly.

Your Committee heard supporting testimony from the Hawaii Hotel Association and the Department of Taxation.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 675, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 850 Tourism and Recreation on H.B. No. 1061

The purpose of this bill is to establish the 'Aina Hoomalu state parks program.

Your Committee has amended the bill by removing the provision for the establishment of a State parks advisory council.

Your Committee has further amended the bill by adding the provision that funds deposited into the Aina Hoomalu special fund from Iolani Palace shall be used supplement its educational and interpretive programs.

Your Committee has also made several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 1061, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 851 Tourism and Recreation on H.B. No. 2015

The purpose of this bill is to amend the penal code by adding a new section that makes assaulting an athletic official a misdemeanor.

Your Committee is in agreement with the Department of Education and the Hawaiian Football Officials Association that having a specific penal code provision relating to athletic contest officials will create a greater and necessary deterrent effect on the assaults upon athletic contest officials.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 2015 and recommends that it pass Second Reading and be referred to the Committee on the Judiciary.

Signed by all members of the Committee.

SCRep. 852 Judiciary on H.B. No. 359

The purpose of this bill is to exempt battered spouses from compulsory mediation in divorce proceedings, to protect those who may be intimidated if required to negotiate directly with their abusive spouse.

Your Committee amended the bill by replacing "evidence" with "allegations" of spousal abuse and by providing that the court shall not require participation in any mediation program "that involves direct contact between the spouses."

Your Committee believes that the amendments will broaden the protection of the bill but, at the same time, not preclude the court from providing premediation and mediation programs to those who may benefit from them. Furthermore, it is not the intent of the bill to discourage participation in mediation by battered spouses who wish to do so.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 359, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 853 Judiciary on H.B. No. 363

The purpose of this bill is to extend the cooling off period during which the police can order a domestic abuser off the premises from 12 to 24 hours. The bill also provides that when a police officer orders a cooling off period after 4:30 p.m. Friday or on the weekend or holiday, that the 24 hours will be computed as commencing at 8:00 a.m. on the first day following the weekend or holiday.

Your Committee amended the weekend/holiday provision so that the 24-hour period is extended until 4:30 p.m. of the first day following the weekend or legal holiday. This change is consistent with the general 24-hour period because it gives one full working day for a party to seek a temporary restraining order. Your Committee also added a proviso allowing the person to enter the premises with a police escort to collect any necessary personal effects.

Your Committee believes that the bill, as amended, takes into account the concerns of both parties to a domestic abuse incident: (1) granting the victim additional time to seek shelter or obtain added protection; and (2) allowing the abuser a chance to collect some necessities before being forced to vacate their normal domicile for one or more days.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 363, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 363, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 854 Judiciary on H.B. No. 364

The purpose of this bill is to extend the duration of protective orders in domestic abuse cases from six months to three years.

Your Committee finds that the bill will increase the effectiveness of protective orders in cases where a longer period of relief is needed to provide protection from harassment, threats and physical abuse. The bill will also make the duration of protective orders in domestic violence cases consistent with that of civil harassment orders issued pursuant to section 604-10.5, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 364 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 855 Judiciary on H.B. No. 513

The purpose of this bill is to amend provisions pertaining to the Reproductive Rights Committee. Specifically, the bill:

- (1) Changes the name of the committee to Reproductive Rights Protection Committee;
- (2) Establishes the committee within the Department of Health, State Planning Council on Developmental Disabilities, for administrative purposes;
- (3) Provides for staggered terms of appointments;
- (4) Changes the composition of membership to the committee;
- (5) Clarifies that, although they serve without pay, the members are reimbursed for expenses incurred; and
- (6) Authorizes the committee to hire staff.

Your Committee received testimony in support of the bill from the State Planning Council on Developmental Disabilities, the Reproductive Rights Committee and the State Commission on Persons with Disabilities.

The Protection and Advocacy Agency of Hawaii expressed concerns that (1) placing the Reproductive Rights Committee within the Department of Health may cause a conflict of interest; and (2) the provisions modifying the required composition of the committee's members may reduce the breadth of expertise on the committee.

Although your Committee understands the conflict of interest concern, it recognizes the need to attach the Reproductive Rights Committee to a state department in order to prevent a challenge under Article V, section 6 of the Hawaii Constitution. Therefore, your Committee amended the bill by adding an automatic repeal date of July 1, 1993, to give the Reproductive Rights Committee two years to establish the appropriateness of this placement or find a more appropriate placement.

Your Committee further amended the bill by reinserting the provisions pertaining to the composition of the committee. Your Committee also amended the bill by retaining the current name of the committee. It was not clear what was intended by the name change and your Committee was concerned that this name change would be interpreted as a substantive change in the mission of the Reproductive Rights Committee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 513, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 513, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 856 Judiciary on H.B. No. 600

The purpose of this bill is to streamline the jury selection process by eliminating the requirement for, and all references to, jury panels.

The current law requires that jurors be placed in panels of 18, which creates unnecessary work for the Judiciary staff who must aggregate jurors into panels and wastes juror's time by requiring courts to order jurors by panels rather than by the specific number needed. Your Committee finds that eliminating the requirement for jury panels will make better use of the Judiciary's resources and jurors' time.

Your Committee amended the bill by incorporating the substance of H.B. 599, H.D. 1, pertaining to jury exemptions. The purpose of this addition is to eliminate jury exemptions for certain occupations, thereby encouraging broader community participation in the jury system. Exemptions from jury service were suspended from January 1, 1989, through December 31, 1991. This experiment has proven successful and, therefore, is being made permanent. The only exemption that remains is for persons who served on a jury within the preceding year.

Your Committee also amended the bill to correct certain typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 600, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 600, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 857 Judiciary on H.B. No. 601

The purpose of this bill is to streamline the administration of court fees and costs in circuit court by revising the filing fee schedule in Section 607-5, Hawaii Revised Statutes.

Your Committee amended the bill to also include revisions to the district court's filing fee schedule in Section 607-4, Hawaii Revised Statutes.

Your Committee finds that the multitude of small fees and costs presently charged by the circuit and district courts presents a burdensome and inefficient practice for both the parties involved and the Judiciary. Increasing certain basic fees and eliminating smaller ones will reduce the bookkeeping workload, thereby enabling the Judiciary to direct its staff and resources to more pressing concerns.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 601, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 601, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 858 Judiciary on H.B. No. 611

The purpose of this bill is to make permanent the State's Center for Alternative Dispute Resolution.

Your Committee finds that the Center for Alternative Dispute Resolution has an admirable track record of resolving public interest cases and cases referred by government agencies, through mediation, arbitration, and fact-finding, and assisting the judiciary in developing alternatives to litigation. Your Committee finds that the Center has earned a permanent place in state government.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 611, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 859 Judiciary on H.B. No. 934

The purpose of this bill is to amend the procedures for changing, registering and reporting names at the time of a marriage, divorce, or birth of a child. More specifically, the bill:

- (1) Authorizes couples to declare the middle and last names of their choosing upon marriage;
- (2) Clarifies that the registered name of a child born in wedlock may be chosen by one parent, or by the court, if the parents are unable to agree;
- (3) Authorizes a person, in a divorce proceeding, to request resumption of the middle and last name used prior to marriage or from a previous marriage; and
- (4) Repeals a redundant law pertaining to the reporting of names of newborn children.

Your Committee received favorable testimony from the Office of Lieutenant Governor and the Department of Health. These proponents testified that many people, especially women, change both their middle name and their last name upon marriage. This bill streamlines the name change procedures followed by individuals wishing to change their middle and last names upon marriage or divorce, thereby saving on paperwork, expenses and time. Additionally, the bill streamlines the procedures for naming children, particularly in those cases where both parents are not available to name the child, as is common with military personnel assigned overseas.

Your Committee deleted language limiting the choice of middle names which may be selected by the parties to a marriage. Allowing complete discretion in this matter will not contravene any public policy and enhances the beneficial impact of this bill. The language as drafted would, for example, have prohibited a groom from taking his wife's maiden name as his middle name.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 934, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 934, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 860 Judiciary on H.B. No. 1007

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, judgments against the State, settlements and miscellaneous claims.

In addition to the 31 claims, judgments and settlements listed in the bill, your Committee received information from the Department of the Attorney General on two cases that have recently been settled. The settlements in the two cases, Zimmerman v. Nakatani and Auyong v. State, total \$50,402.86.

Therefore, your Committee amended the bill to include the two additional settlements. Accordingly, the total sum of the Attorney General's current request is \$3,183,109.45.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1007, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1007, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 861 Judiciary on H.B. No. 1008

The purpose of this bill is to clarify that the State is exempt from all statutes of limitations set forth in the Hawaii Revised Statutes, unless specifically included.

The Legislature has created statutes of limitations which provide that a party may not maintain a court action after a certain amount of time has passed, typically from the date a cause of action arose or was discovered. Hawaii common law has consistently stated that, despite these legislatively created limitations for bringing suit, the State may nonetheless bring and maintain actions. This principle is known as "nullum tempus occurrit regi," meaning "time does not run against the sovereign." However, the last Hawaii judicial decision addressing this principle was decided prior to statehood. See Territory v. Estate of Kealoha, 43 Hawaii 237 (1959). Your Committee finds that this bill will codify this common law principle and remove any question of its current validity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1008, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 862 Judiciary on H.B. No. 1012

The purpose of this bill is to clarify who may serve investigative subpoenas, set fees for research and reproduction of records by financial institutions that perform these services in compliance with investigative subpoenas, and provide immunity from civil liability for releasing information in compliance with investigative subpoenas.

Your Committee finds that the bill will:

- (1) Enable authorized agencies who employ employees with powers of police officers to serve subpoenas through these employees;
- (2) Eliminate the disparities in fees charged by financial institutions for research and reproduction of records, by setting these fees at the rate established by the Board of Governors of the Federal Reserve System; and
- (3) Clarify that compliance with investigative subpoenas will not expose the recipient to civil liability.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1012 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 863 Judiciary on H.B. No. 1163

The purpose of this bill is to amend the definition of "special primary election" and "special general election" and to add a new definition of "polling place."

This bill deletes language in the definition of "special primary election" and "special general election" that is no longer necessary due to the 1990 repeal of section 17-5, Hawaii Revised Statutes, pertaining to vacancies which occur because of failure to elect a person at an uncontested general election.

The definition of "polling place" is added to establish a two-hundred foot zone wherein only activities relating to official state or county elections shall take place.

Your Committee received testimony in support of this bill from the Office of the Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii.

With respect to the definition of "polling place", the Office of the Lieutenant Governor testified that a buffer zone is necessary to keep activities by special interest groups separate and independent of official election activities.

Common Cause Hawaii expressed concerns that, although it is reasonable to restrict congestion at the polling place, the buffer should be decreased.

Your Committee amended the bill to decrease the buffer from two hundred feet around the facility to a two hundred foot radius measured from the center of the facility. Your Committee finds that the amendments address both the concerns of Common Cause and the Lieutenant Governor's office. Your Committee also clarified that the one-thousand foot radius established by Section 11-132, Hawaii Revised Statutes, will be measured from the center of the building and not from the edge of the one-hundred foot buffer zone.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1163, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 864 Judiciary on H.B. No. 1166

The purpose of this bill is to require that a copy of a complaint filed in an election contest be delivered to the chief election officer or the county clerk in the case of county elections.

Your Committee received testimony in support of this bill from the Office of the Lieutenant Governor and the Association of Clerks and Election Officers of the State of Hawaii. Both testified that the bill will ensure that the chief election officer and the county clerks are informed in a timely manner of any election contest. Such notice is necessary for an orderly election process. For example, a contest in a primary election could result in a court determination changing the name of the candidate to appear on the general election ballot.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1166, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 865 Judiciary on H.B. No. 1571

The purpose of this bill is to amend the drug-free school zone law to include school vehicles. Specifically, the bill makes it a class C felony to promote controlled substances on a school vehicle or within ten feet of a parked school vehicle during the time that the vehicle is in service for or waiting to transport school children.

Your Committee finds that the bill will discourage drug dealing on school buses and at school bus stops where students gather.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1571, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 866 Judiciary on H.B. No. 1168

The purpose of this bill is to extend the time period from fifty to sixty days between the close of the filing deadline for special primary or special election and the special primary or special election.

Your Committee received testimony in support of this bill from the Office of Lieutenant Governor and the Association of Clerks and Election Officers of Hawaii -- both of which testified that the extension will make the filing deadline for special elections consistent with the filing deadline in regular elections and will provide election officials with more time to print the ballots and comply with the federal recommendations for the mailing of absentee ballots.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1168 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 867 Ways and Means on H.B. No. 1453

The purpose of this bill is to make a \$6,000,000 emergency appropriation to the department of business, economic development, and tourism for fiscal year 1990-1991, to conduct a special marketing campaign to promote Hawaii's visitor industry.

Your Committee reviewed testimony on:

- (1) S.B. No. 1403, S.D. 1, which is the companion to this bill; and
- (2) H.B. No. 1453, H.D. 2, which was heard by the Senate Committee on Tourism and Recreation.

Your Committee has amended this bill by:

- (1) Specifying that the funds appropriated by this Act are to be used to promote tourism in all counties of the State;
- (2) Specifying that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$6,000,000 or 0.234 per cent and stating that the reasons for exceeding the same, as required by Section 9 of Article VII of the Constitution of the State of Hawaii; and
- (3) Making technical, nonsubstantive changes for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1453, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1453, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senators Aki and Iwase.

SCRep. 868 Employment and Public Institutions on H.B. No. 183

The purpose of this bill is to change the factor used in determining the Workers' Compensation maximum and minimum weekly benefit rates for dependents from .667 to .6667.

Your Committee has amended this bill by deleting the substance and instead providing that the Labor and Industrial Relations Appeals Board, as established pursuant to Section 371-4, Hawaii Revised Statutes, shall consist of five rather than three members. Other changes have also been made to this statute to technically accommodate the increased board membership.

Your Committee finds that by increasing the membership, the Board will be better able to carry out its functions relating to Workers' Compensation and other labor laws.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 183, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 869 Employment and Public Institutions on H.B. No. 851

The purpose of this bill is to provide for continued operation of the State Capitol Tour Service while the Capitol is being renovated.

Specifically, the bill does the following:

- (1) Transfers the Service and its functions, including its employees, from the Legislature to the Office of the Governor until the renovation project is complete;
- (2) Directs the Office of Information to formulate a plan for implementation of a permanent Capitol District Tour and Information Program;
- (3) Designates the Mabel Smythe Building as the Service's new base of operations and provides for the transfer to the Legislature of the functions, employees and personal property of the Service upon completion of Capitol renovation;
- (4) Appropriates funds to be expended by the Office of the Governor for four tour service personnel, supplies, equipment, and furniture, and for contracting with appropriate agencies or individuals for program development;
- (5) Appropriates funds to be expended by the Department of Accounting and General Services for renovation of the Mabel Smythe Building; and
- (6) Appropriates funds to be expended by the Department of Budget and Finance for communications equipment for the Mabel Smythe Building.

Your Committee has amended this bill by inserting \$240,000 and \$209,500 for fiscal years 1991-1992 and 1992-1993, respectively, as the sums to be appropriated for personnel, supplies, equipment, and furniture, and changing the expending agency from the Office of the Governor to the Office of Information. Your Committee has also amended this bill by deleting the provision requiring the Office of Information to return the functions, employees, and personal property of the Tour Service to the Legislature upon completion of the renovation project.

In addition, your Committee has made some nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 851, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 851, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 870 Employment and Public Institutions on H.B. No. 1004

The purpose of this bill is to promote uniformity and efficiency in enforcement of Chapter 368, Hawaii Revised Statutes, relating to the Hawaii Civil Rights Commission.

Specifically, the bill conforms the provisions of Chapter 368 with the procedures for contested case hearings and appeals as provided in Chapter 91; expressly assigns enforcement functions to the Executive Director; clarifies the Commission's authority to process complaints filed by handicapped individuals regarding access to state and state-funded services; empowers the Commissioner to conduct depositions and require parties to attend hearings subject to examination under oath; and makes other changes necessary to articulate and clarify the Commission's activities and authority.

Your Committee finds that these provisions are necessary to enable the Commission and its Executive Director to appropriately administer and enforce the State's antidiscrimination laws.

Your Committee has amended this bill by authorizing the Commission to seek judicial enforcement of conciliation agreements or predetermination settlements; adding an amendment to Section 368-15 allowing the Commission to review compliance with predetermination settlements; and providing that the Commission's Deputy Executive Director shall be civil service exempt like the Executive Director, attorneys, and hearings officers.

Your Committee has also made several nonsubstantive technical changes for the purposes of clarity and style. The effect of all amendments is to render the bill substantially identical to S.B. No. 1321, S.D. 1, which was previously approved by your Committee.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1004, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1004, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 871 Employment and Public Institutions on H.B. No. 1059

The purpose of this bill is to make two changes to the laws relating to the Employees' Retirement System.

SECTION 1 of this bill allows the Director of Finance to send a representative to vote at meetings of the Board of Trustees. SECTION 2 allows members of the contributory plan (Class A), who elected to join the noncontributory plan (Class C) and subsequently reclaimed contributory status, to purchase the years of service in Class C and obtain benefits for those years under the contributory plan.

Your Committee finds that SECTION 1 will enable the Board of Trustees to operate more efficiently while SECTION 2 will affect a limited number of people at minimal cost to the System.

Your Committee has amended this bill by clarifying that the buy-back of Class C years shall be at the rate of pay enjoyed by the member as of the effective date of this bill, and that the member has until December 31, 1994 to exercise this option. Your Committee has also made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1059, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1059, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 872 Consumer Protection and Business Regulation on H.B. No. 661

The purpose of this bill is to add a new article to the Hawaii Revised Statutes, as part of the Uniform Commercial Code, governing consumer leases for goods.

This bill provides a comprehensive set of rules dealing with every phase of leasing transactions and clarifies previous questions regarding security interests. The bill applies only to the leases of goods, and does not apply to real property leases. Specifically, the provisions of this bill contain basic contract rules to govern leases of goods, including matters of offer and acceptance, statute of frauds, warranties, assignments of interest, and remedies upon breach of contract.

This measure is the result of several years of work by the Hawaii Commission to Promote Uniform Legislation and the Uniform Law Commissioners.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 661 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 873 Consumer Protection and Business Regulation on H.B. No. 662

The purpose of this bill is to add a new article to the Hawaii Revised Statutes, as part of the Uniform Commercial Code, relating to electronic funds transfers.

This measure will provide a comprehensive body of law on the rights and obligations connected with electronic funds transfers, including the issuance and acceptance of payment orders, execution of sender payment orders by receiving banks, and procedures for payment.

This bill is the result of several years of work by the Uniform Law Commissioners and the Hawaii Commission to Promote Uniform Legislation.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 662 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 874 Consumer Protection and Business Regulation on H.B. No. 821

The purpose of this housekeeping measure is to:

- (1) Delete obsolete provisions and add new provisions to Section 26-9, Hawaii Revised Statutes, regarding fees and licensing boards; and
- (2) Establish certain limited delegated authority to the executive secretaries of the various boards and commissions.

Under this bill, each board and commission, as well as the Director of the Department of Commerce and Consumer Affairs (DCCA), may delegate to the executive secretary or other personnel, any of its powers or duties deemed reasonable and proper for the administration of the licensing laws under the jurisdiction of the DCCA. However, the bill specifically provides that no authority is to be delegated that adopts, amends, or repeals any rule or takes final disciplinary action against a licensee.

Your Committee finds that these amendments will expedite and streamline services by the DCCA to applicants and licensees.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 821, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 875 Agriculture and Environmental Protection on H.B. No. 42

The purpose of this bill is to better conserve the state's fishery resources by requiring the use of nets with larger mesh sizes, thereby allowing smaller fish to escape capture and grow to larger sizes before being harvested.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 42, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 876 Agriculture and Environmental Protection on H.B. No. 795

The purpose of this bill is to extend the Hawaii Meat Inspection Law, Act 139, Session Laws of Hawaii 1990, beyond its expiration date of June 30, 1991.

The short expiration date was inserted in order to ascertain the nature and scope of the exotic meat inspection program before making long-term commitments to the programs.

Your Committee finds that Act 139 contained approximately 31 amendments to the Hawaii Meat Inspection program, including provisions to raise the meat inspection program to the standards of the Federal Meat Inspection Act.

Testimony from the Board of Agriculture indicated that the failure to repeal the expiration date would:

- (1) Prevent the development of a fledging exotic meat agricultural industry and deny the public the enjoyment of eating inspected exotic meat from axis deer, rabbit, and American bison;
- (2) Deprive those seeking custom slaughter of their own animals in a controlled sanitary slaughtering environment; and
- (3) Prevent the State from meeting the requirements of the Federal meat inspection law.

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

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 795, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 877 Agriculture and Environmental Protection on H.B. No. 1815

The purpose of this bill is to appropriate \$70,000 for fiscal year 1990-1991 for an environmental assessment database.

Specifically, this bill provides funds for the Office of Environmental Quality Control to support the incorporation of information from 4,000 Environmental Assessments/Negative Declarations into the Hawaii Environmental Impact Statement Bibliographic Database being developed by the Environmental Center of the University of Hawaii.

Your Committee finds that this measure will enable the State, the counties, consultants, and the general public to access important information via personal computer regarding actions that may affect the environment.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 1815 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 878 Education on H.B. No. 24

The purpose of this bill is to enable qualified members of the Hawaii National Guard and other military reserves stationed in Hawaii to receive a waiver of tuition fees for graduate studies pursued at the campuses of the University of Hawaii system.

The current program provides a tuition waiver for National Guard members and military reservists for undergraduate study, and according to the University of Hawaii, the program has been extremely successful. The Department of Defense testified that expansion of this program to include graduate studies will allow the National Guard to recruit, develop, and retain more highly-skilled, and better motivated and capable personnel in a competitive employment market at a time of pressing organizational need.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 24, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 879 Education on H.B. No. 981

The purpose of this bill is to authorize the University of Hawaii to establish a University of Hawaii Alumni Revolving Fund.

The University of Hawaii Alumni Association has recently initiated several events and activities to expand its programs, many of which involve the purchase and sale of goods and services. The revolving fund proposed in this measure will facilitate the operations of the programs.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 981 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 880 Education on H.B. No. 982

The purpose of this bill is to authorize the University of Hawaii and the Department of Education to: (1) approve requests by vendors to assign the payments owed them, and (2) to certify the availability of funds for their contracts.

Under the provisions of Act 321, Session Laws of Hawaii (SLH) 1986, as amended by Act 283, SLH 1987, and Act 371, SLH 1989, certain administrative flexibilities were granted to the University of Hawaii and the Department of Education. This included the authority and responsibility for all matters relating to the acquisition of goods and services, and the pre-audit of all related payments.

Currently, only the State Comptroller is authorized to approve requests for assignment and to certify the availability of funds. However, since the University and the Department of Education was granted responsibility for their own purchasing and disbursing functions under the administrative flexibility legislation, the Comptroller is no longer able to fulfill these statutory duties. This bill is a housekeeping measure that would authorize the chief financial officers of the University and the Department of Education to perform these functions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 982, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 881 Education on H.B. No. 1202

The purpose of this bill is to amend Act 300, Session Laws of Hawaii 1990, relating to the design and construction of a second door to twelve classrooms in J Building, by replacing the reference to Waipahu High School with Waipahu Intermediate School.

This bill will provide for funds to be appropriated for the intended project at Waipahu Intermediate School.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1202 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 882 Education on H.B. No. 1278

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Department of Education for salaries of teachers who move from Class VI to Class VII pursuant to amendments made to Section 297-31.1, Hawaii Revised Statutes, by Act 296, Session Laws of Hawaii 1990.

Act 296 enables teachers with five acceptable years of college education and sixty-six additional credits approved by the Department to move into the higher pay grade which previously was limited to Ph.D's.

Your Committee finds that this bill is necessary to carry out the policy established by Act 296 and will also help to attract and retain quality educators through material recognition of their efforts to excel in their chosen fields.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1278, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 883 Education on H.B. No. 1349

The purpose of this bill is to appropriate \$100,000 to the Department of Labor and Industrial Relations to establish a two year volunteer coordination demonstration project to establish programs to coordinate volunteer activities between two selected schools and their surrounding communities.

The Department of Education testified that students have been encouraged within the schools to participate in community projects. Your Committee finds that the promotion of volunteerism is a worthwhile and meritorious endeavor that help students develop a sense of altruism and pride in themselves and the community.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1349 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 884 Education on H.B. No. 1382

The purpose of this bill is to appropriate funds for the Department of Education to conduct school inspections as mandated by Act 369, Session Laws of Hawaii (SLH) 1989.

In compliance with the provisions of Act 369, the Department of Education formed a committee to assist in developing and implementing a school inspection program. Your Committee finds that this measure will allow the Department of Education to review and refine the implementation of this program for the next school year.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1382, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 885 Education on H.B. No. 1398

The purpose of this bill is to appropriate funds to expand distance learning and technology services by increasing the capabilities for electronic instruction, interaction, and communication between and among students, teachers, and experts throughout the State, nation, and the world.

The Department of Education testified in support of this measure and stated that the Department's Distance Learning Technology program has received a very positive reception from students, teachers, and administrators throughout the State.

This bill will provide equal educational opportunities for students throughout the State by enabling the Department of Education to continue and expand its current Teleschool programs in mathematics, science, and foreign language, by supporting production of teacher inservice programs, and by providing improved communication and access to information.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1398, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 886 Education on H.B. No. 1604

The purpose of this bill is to amend Section 309-1.5, Hawaii Revised Statutes, by removing current approval requirements that hinder the ability of the student loan secondary market to respond to the needs of participating student loan lenders on a timely basis.

This bill would authorize the Governor to request the Hawaii Educational Loan Marketing Corporation, a private not-for-profit corporation, to be established and operated exclusively for the purpose of acquiring student loan notes held by local institutions under the Federal Education Act of 1965. Your Committee finds that this bill will help to ensure continuing lender participation under the Hawaii Educational Loan program and provide for liquidity for investments in student loans.

Your Committee has amended this bill by inserting material from S.B. No. 941, S.D. 1, to allow the University of Hawaii Board of Regents to develop real property and construct university projects alone or in partnership with qualified developers and contractors. The Board is also allowed to request proposals from and contract with any developer, contractor, engineer, architect, or any other person or firm whose services would aid in the development and construction.

In addition, technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1604, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 887 Education on H.B. No. 1757

The purpose of this bill is to provide for the price of school meals to be set administratively by the Superintendent of Education to ensure that moneys received from the sale of meals total not less than thirty percent of the total operating cost of the school lunch program.

Historically, school lunch prices have not been adjusted on a regular basis to meet the rising cost of food, labor, utilities, repair and maintenance, equipment, and other operational costs. This bill will allow the Superintendent to set meal prices in order to generate enough funds to meet these rising costs.

Your Committee has serious reservations about the need to enact this measure, and finds that there are several serious policy questions that remain unanswered. However, your Committee believes this issue merits further discussion, pending Department of Education data and information.

Your Committee has amended this bill by giving the Superintendent discretion to set school meal prices instead of requiring it, and providing that the moneys received from the sale of meals total not more than twenty-three percent of the total operating cost of the school lunch program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1757, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1757, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 888 Transportation and Intergovernmental Relations on H.B. No. 804

The purpose of this bill is to prohibit liquor licenses from being issued to a transferee unless both the transferor and the transferee present a signed certificate from the Director of Taxation and the Internal Revenue Service showing that neither owes the state or federal government any delinquent taxes, penalties, or interest.

Your Committee finds that this measure will protect both the state and federal governments from marginal operators not paying their taxes.

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

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 804, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 804, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 889 Transportation and Intergovernmental Relations on H.B. No. 805

The purpose of this bill is to establish a three year statute of limitations for fuel tax assessments, levies, and overpayment credits, with certain exceptions, and to make statements concerning gallonage filed by distributors public records.

Your Committee finds that this bill will conform the limitation period applicable to fuel tax proceedings with those applicable to the income and general excise taxes. It also finds that the public disclosure of fuel tax returns and statements will provide a valuable source of information on the flow and consumption of oil within the state.

Your Committee further notes that this bill is identical to Senate Bill No. 1223 except for certain nonsubstantive technical differences.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 805, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 890 Transportation and Intergovernmental Relations on H.B. No. 806

The purpose of this bill is to provide a general excise tax exemption for the operator of a county mass transportation system, including bus and automated guideway systems, operating under contract with the county.

Your Committee has amended this bill by limiting the exemption to bus systems operating under contract with a county on the effective date of the bill.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 806, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 891 Transportation and Intergovernmental Relations on H.B. No. 808

The purpose of this bill is to require the county or the city council to notify the Department of Taxation of any county fuel tax changes within ten days after adoption of the resolution changing the tax.

Your Committee finds that notifying the Department of Taxation of county fuel tax changes within ten days will provide the department more time to notify the public of county fuel tax changes and to make necessary revisions to the applicable tax forms.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 892 Transportation and Intergovernmental Relations on H.B. No. 1021

The purpose of this bill is to increase revenues for the state highway fund by:

- (1) Increasing the annual motor vehicle registration fee to \$23;
- (2) Increasing the vehicle weight tax;
- (3) Increasing the amount of the state fuel tax from \$.11 to \$.16 for liquid fuel; and
- (4) Implementing a rental motor vehicle surcharge of \$2 per day.

Your Committee notes that the last time the legislature made a comprehensive change to methods of raising revenue for our land transportation system was in 1985. At that time, the legislature reviewed and adopted a variety of registration fees and vehicle weight and fuel taxes to maintain a level of funding necessary for our roads and highway needs for the six-year planning period. That six-year period has passed and the next six-year period must be addressed.

Upon review of the 1990 Highway Revenue Task Force Report, your Committee finds that the financial integrity of the state highway fund is in jeopardy. The department of transportation has warned that without an increase in revenues the fund will be placed in a deficit situation that will prevent the proper maintenance and development of the state highway system. It is a critical situation that must be corrected.

Your Committee finds that the people of Hawaii already experience one of the highest costs of living in the nation with some of the highest housing, food, and fuel costs. Your Committee believes that the people of Hawaii are overburdened, and need relief. Therefore, your Committee is recommending increases in revenues which balance the burden on the people of Hawaii and promote a fair distribution of the fees.

With that in mind, your Committee is recommending approval of the \$2 surcharge on rental motor vehicles that the House has proposed. Your Committee is also recommending, however, that an annual surcharge be assessed on tour buses, minibuses, and vans. People who choose not to rent motor vehicles, but use tour buses, minibuses, and vans should also pay their fair share. This provision will also remove any discriminatory effects of a surcharge on only rental motor vehicles.

Your Committee also believes that the state highway fund should be funded primarily through "user fees". Although there seems to exist some differences in philosophy on whether the four per cent general excise tax (GET) on the sale of motor fuel is a "user fee", or taxes that should legitimately be part of the general fund, your Committee finds that the four per cent GET on the sale of motor fuel is at the very least, a user "related" fee, and therefore, is recommending that fifty per cent of that four per cent GET be retained in the general fund and fifty per cent be transferred to the state highway fund.

Your Committee believes that any increases in the fees, which includes the registration fee, should be kept as low as possible. In 1985, the registration fee was raised from \$1 to \$10 and an increase of the fee to a level that was recommended by the House cannot be recommended by your Committee. Although, the difference recommended by your Committee is nominal, any reduction in fees, however small, is always welcomed.

Should all of the amendments proposed by your Committee in this bill be adopted, more than \$50,000,000 in additional revenues will be generated each year. This amount is sufficient to maintain the solvency of the highway fund without any increase in the fuel tax. Your Committee, therefore, does not intend to recommend any increase in the fuel tax. Your Committee must point out, however, that should one or more of the revenue generating amendments proposed herein prove to be undependable or inequitable and fail to pass, an increase in the fuel tax may be inevitable. Your Committee believes, however, that only with additional time to thoroughly analyze these proposed amendments, will we be able to determine this.

Your Committee also finds that the weight tax increase is fair and reasonable and that the rates should be increased to the level recommended by the Highway Revenue Task Force.

In view of the foregoing reasons, your Committee has amended the bill by:

- (1) Reducing the motor vehicle registration fee from \$23 to \$22;
- (2) Leaving the motor vehicle fuel tax rate per gallon of liquid fuel and diesel oil blank;
- (3) Continuing the transfer of the four per cent general excise tax collected on the sale of motor fuel from the general fund to the highway fund until June 30, 1997, but allowing the transfer of only fifty per cent of the amount collected;
- (4) Implementing a surcharge tax on tour buses of \$2,500 per year and a surcharge tax on tour vans and minibuses of \$625 per year; and
- (5) Making technical nonsubstantive changes for the purposes of clarity and style.

Your Committee believes that the amendments, as proposed herein, will provide the Committee on Ways and Means the maximum flexibility required for making a decision and to provide the funding necessary to maintain the solvency of the state highway fund for the six-year planning period. This proposal broadens and balances the tax base and also keeps open all options in the event that one or more of the sources of revenues is shown to be undependable. It is a fair and equitable proposal.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1021, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1021, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 893 Transportation and Intergovernmental Relations on H.B. No. 1022

The purpose of this bill is to increase the principal amount of the special facility revenue bonds that the department of transportation is authorized to issue from \$50,000,000 to \$100,000,000.

Your Committee finds that this increase in authorization is necessary in order to assist the interisland carriers in obtaining funding for the construction of their cargo and hangar facilities and to meet other future facilities needs.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1022 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 894 Transportation and Intergovernmental Relations on H.B. No. 1517

The purpose of this bill is to transfer to the counties all public service tax revenues in excess of the amount that would have been realized at a rate of four percent.

Your Committee received testimony in support from the City and County of Honolulu; Kauai Electric Division of Citizens Utilities Company; Gasco, Inc.; the Oahu Conference of Neighborhood Boards; Hawaiian Electric Industries Inc.; and GTE Hawaiian Tel.

Your Committee finds that under current law, public service companies are exempt from real property taxes. This measure would ensure that public service companies contribute their fair and equitable share toward the cost of municipal services provided by the counties.

Your Committee has amended this bill by inserting a provision that mandates amounts in excess of that which would have been paid at a rate of four percent to be allocated in the same manner as transient accommodations tax revenues. Also, the maximum amount of revenues transferrable to the counties has been left blank.

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

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1517, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1517, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 895 Housing and Hawaiian Programs on H.B. No. 941

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes regarding housing facilities and other assistance for the homeless, and to make conforming amendments to Sections 46-1.5, 171-43.1, 237-23(a), 346-152(a), 467-2, 480-11, 521-7, 521-8, 521-69.5, and 663-1.5, Hawaii Revised Statutes.

Your Committee finds that there is a great need to establish housing assistance for the homeless in Hawaii.

Your Committee has amended the bill by deleting the provisions of Section -6 of the new chapter, pertaining to the liability of donors, and substituting the Senate version from the companion Senate Bill, S.B. No. 1382, S.D. 2.

Your Committee has further amended the bill by inserting Section 11, pertaining to exceptions to liability, which had been deleted from the original House version of the bill.

Your Committee has also amended the bill by making numerous nonsubstantive technical changes for the purposes of clarity and conformance with recommended drafting style.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 941, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 941, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 896 Housing and Hawaiian Programs on H.B. No. 942

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, to establish a homeless shelter stipend program that provides emergency and transitional shelters for the homeless with a flexible funding mechanism to assist in covering operating costs.

Your Committee finds that this bill is part of the State Administration's package to address the growing problems of homelessness in Hawaii.

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

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 942, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 942, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 897 Housing and Hawaiian Programs on H.B. No. 1049

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue an additional \$400,000,000 in tax exempt revenue bonds for the Hula Mae Single Family Mortgage Purchase Program.

Your Committee finds that the additional funds are needed to meet the housing needs of the State.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1049 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 898 Housing and Hawaiian Programs on H.B. No. 1055

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue an additional \$100,000,000 of tax exempt revenue bonds to finance and refinance rental housing projects developed or acquired by the HFDC under Chapter 201E, Hawaii Revised Statutes.

Your Committee finds that the HFDC is currently authorized to issue a maximum of \$275,000,000 in revenue bonds and, to date, has issued bonds aggregating \$100,650,000 to finance the development of 872 units. The additional \$100,000,000 of revenue bond authorization sought by this bill will bring the aggregate authorization up to \$375,000,000.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1055 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 899 Housing and Hawaiian Programs on H.B. No. 2100

The purpose of this bill is to amend Section 669-2 of the Hawaii Revised Statutes to provide for the joinder of the Office of Hawaiian Affairs (OHA) as a defendant in any quiet title action involving kuleana lands where the owner of an inheritable interest dies at least partially intestate, the intestacy includes the kuleana land, and there is no taker under Article II of the Hawaii Uniform Probate Code.

The history of kuleana lands dictated that when a landowner died without naming a successor to the property, ownership of the kuleana land passed to the adjoining landowner. In 1987, the Legislature enacted the Kuleana Escheat Act, which provided that in such cases, the kuleana lands would pass to the Office of Hawaiian Affairs.

Your Committee finds there is a need for a mechanism which formally gives OHA notice of quiet title actions involving unclaimed kuleana lands. Requiring that OHA be joined as a defendant in these actions will serve as this mechanism.

Your Committee has amended the bill by requiring service in these actions be made on OHA rather than the Department of the Attorney General.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2100, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2100, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 900 Employment and Public Institutions on H.B. No. 45

The purpose of this bill is to provide Workers' Compensation benefit rate adjustments to permanently totally disabled (PTD) recipients effective January 1, 1992 and every ten years thereafter.

Section 386-35, Hawaii Revised Statutes, provides adjustments of weekly benefit payments to PTD recipients proportionate to \$215, the maximum weekly benefit available on June 18, 1980. Your Committee finds that benefit amounts derived in this manner are no longer sufficient or equitable, and that the amount payable to PTD recipients should be adjusted periodically to account in part for increases in the cost of living.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 45, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 45, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 901 Employment and Public Institutions on H.B. No. 610

The purpose of this bill is to exempt from civil service the positions of Deputy Administrative Director of the Courts and such assistants as the Deputy Administrator may require.

Your Committee finds that these exemptions are consistent with exemptions granted to similar positions in the public service.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 610, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 902 Employment and Public Institutions on H.B. No. 699

The purpose of this bill is to allow Assistant Clerks and Assistant Sergeants-at-Arms serving in the Legislature on July 1, 1991 to be eligible for retirement benefits in the same manner as Chief Clerks and Sergeants-at-Arms.

Your Committee finds that because the appointment and tenure of Assistant Clerks and Sergeants-at-Arms are subject to the same criteria as Chief Clerks and Sergeants-at-Arms, their eligibility for retirement should be similarly determined.

Your Committee has amended this bill by changing the reference to "class B member" on page 1, line 15, to read "class A member." Your Committee has also made a technical change which has no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 699, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 699, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 903 Employment and Public Institutions on H.B. No. 844

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the Department of Defense for improvements to the Statewide Rainfall and Flood Information System.

Specifically, the funds will be used to establish (1) the capability to provide high priority rainfall information to each county's Emergency Operations Center, and (2) programming access to telemetered rainfall information, initially in one or two flood prone valleys in each county.

Your Committee finds that this bill will complement existing National Weather Service capabilities and facilitate appropriate responses to emergency weather conditions throughout the State.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 844, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 904 Employment and Public Institutions on H.B. No. 1001

The purpose of this bill is to clarify that captive insurance companies are required to comply with all provisions relating to Workers' Compensation Special Fund assessments.

This bill further clarifies that employees covered by a captive insurer are entitled to all benefits payable by the Workers' Compensation Special Fund, including special benefits, should the captive insurance carrier be unable to meet its obligations.

Your Committee has amended this bill by correcting a drafting error on page 2, line 22.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1001, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 1, S.D. 1, and be referred to the Committee on Consumer Protection and Business Regulation.

Signed by all members of the Committee.

SCRep. 905 Employment and Public Institutions on H.B. No. 1019

The purpose of this bill is to extend the deadlines by which government agencies must file public reports with the Office of Information Practices.

Your Committee finds that some public agencies are unable to comply with the deadlines provided by Section 92F-18(b), Hawaii Revised Statutes, and Act 192, Session Laws of Hawaii 1989, because of the magnitude of the information that must be collected, organized, and formatted and delays arising from the development and implementation of an automated records report system in the Office. This bill provides deadlines that all agencies will be able to meet.

Your Committee has amended this bill by adding a definition of "formal charge" to Chapter 92F and providing that an individual has a substantial privacy interest in information relating to a formal charge against him unless an unbiased third party has substantiated the formal charge and disciplinary action has been taken. A formal charge is defined as a written complaint alleging employment-related misconduct by an agency employee filed pursuant to a written agency procedure that incorporates standard elements of due process.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1019, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 906 Employment and Public Institutions on H.B. No. 1044

The purpose of this bill is to amend the state and county contributions to the Public Employees Health Fund for retirees with fewer than ten years of credited service.

Currently, monthly contributions for the hospital, medical, and surgical, the prescription drug, the vision care, and the adult dental plans are established every two years by statute. This bill provides that the public employers shall pay each month an amount for all four plans in the aggregate equal to one-half of the total monthly Medicare or non-Medicare premium costs for employee-beneficiaries and employee-beneficiaries with dependents.

The bill also provides that the public employers shall pay one hundred percent of the contributions for the childrens' dental and the group life insurance benefits plans.

Your Committee finds that this bill provides an equitable and more efficient method for computing the public employers' contributions to the Fund.

Your Committee has amended this bill by making technical changes which have no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1044, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1044, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 907 (Majority) Employment and Public Institutions on H.B. No. 1048

The purpose of this bill is to authorize the Governor to provide a supplemental benefits option to state executive and managerial personnel through establishment of a tax deferred life annuity program consistent with Internal Revenue Code Section 457.

Your Committee finds that this program will help make the State competitive with the private sector and thereby enhance recruitment and retention of qualified personnel to government service.

Your Committee has amended this bill by deleting excluded managerial white collar employees.

Your Committee has also amended this bill by deleting the definitions of "essential employee" and "essential position" from the Collective Bargaining Law and providing that it is unlawful for public employees employed in hospitals, prisons, or the State Comprehensive Emergency Medical Services System from participating in a strike.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1048, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1048, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.
Senator Yamasaki did not concur.

SCRep. 908 Employment and Public Institutions on H.B. No. 1121

The purpose of this bill is to amend the Public Employees Health Fund law to authorize the Board of Trustees (Board) to determine a long-term care benefits plan for employee-beneficiaries, their spouses, and qualified-beneficiaries who enroll between the ages of 20 and 85.

Your Committee has amended the bill by replacing its entire contents with the provisions of S.B. No. 1538, S.D. 1. As amended, the bill authorizes the Board of Trustees of the Public Employees Health Fund to select for a long-term care benefit plan either a self-insured plan to be guaranteed by the State or a fully insured plan underwritten by an insurance carrier.

Your Committee finds that this flexibility of choice will minimize the financial cost to the State yet improve benefits to long-term care eligible participants.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1121, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1121, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 909 Employment and Public Institutions on H.B. No. 1124

The purpose of this bill is to exempt from civil service key positions in the offices of the Prosecuting Attorneys of Hawaii, Kauai, and Maui Counties.

Specific positions exempted are Private Secretary and Administrative or Executive Assistants to the Prosecutor, Secretary to the First Deputy Prosecuting Attorney, and Chief Investigator; however, these positions will remain in the Position Classification Plan.

Your Committee finds that Neighbor Island Prosecuting Attorneys should be able to make their own appointments to these sensitive positions.

Your Committee has amended this bill by deleting Chief Investigators and by making nonsubstantive technical changes for the purpose of style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1124, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1124, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 910 Employment and Public Institutions on H.B. No. 1538

The purpose of this bill is to clarify the circumstances under which seasonal employees are eligible for Temporary Disability Insurance (TDI) benefits.

Under current policy, as articulated in Section 392-21(b), Hawaii Revised Statutes, TDI benefits are intended to be payable only for periods of disability during which, but for the disability, the employee would have earned wages from employment. The courts have interpreted this policy to mean that TDI benefits should be paid only during the seasonal period, even though the disability extends beyond the seasonal period or commenced during the idle period and continues into the season.

This bill provides that the policy may not be applied to terminate benefits of an employee who is receiving benefits for a disability that commenced during active employment. It also prohibits application of the policy to deny benefits to employees who become disabled during the employer's idle period and continue to be disabled when the employer recommences operations.

Your Committee finds that seasonal workers may be entitled to Unemployment Compensation or seek other employment during the idle period; however, a seasonal worker who is disabled beyond the seasonal period is not entitled to Unemployment Compensation because the disability renders the person unavailable for work. Since both Unemployment Compensation and TDI are entitlement programs of the first resort, it is consonant with the intent of the TDI law to allow benefits for the full duration of a seasonal employee's disability.

Your Committee has amended this bill by clarifying the intent to allow benefits for seasonal employees whose disabilities commenced when the employer was idle and continue into the seasonal period. Your Committee has also made a technical change that has no substantive effect.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1538, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1538, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 911 Employment and Public Institutions on H.B. No. 1594

The purpose of this bill is to prohibit legislators from accepting honoraria or other consideration for speaking on legislative matters.

The State Ethics Commission holds that legislators are entitled to accept pay unless they speak representing a legislative house. Your Committee, on the other hand, finds that any time a legislator speaks on legislative matters, he or she is carrying out official duties and should be prohibited from profiting therefrom. This prohibition does not include remuneration for reasonable travel, food, or lodging.

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

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1594, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1594, H.D. 1, S.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 912 Employment and Public Institutions on H.B. No. 1682

The purpose of this bill is to allow deposits accompanying bids for public contracts to be satisfied by official bank checks.

Official bank checks are characterized as cashier's, treasurer's, or teller's checks.

Section 103-28, Hawaii Revised Statutes, is intended to ensure that instruments accompanying bids for public contracts are secure and not easily stopped. Your Committee finds that bank checks meet this criteria and should be included in the statute.

Your Committee has amended this bill by deleting references to bank checks and instead listing the three kinds of instruments that comprise this category. Also, your Committee has clarified the distinction between instruments drawn by and those accepted by banks, savings institutions, and credit unions.

In addition, your Committee has made conforming amendments to the law relating to deposits accompanying bids for concessions on public property.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1682, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1682, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 913 Employment and Public Institutions on H.B. No. 1720

The purpose of this bill is to provide University of Hawaii athletic coaches with better options in planning their retirements.

Specifically, the bill authorizes the University to purchase for its coaches a deferred compensation annuity contract from any association of coaches with a plan which qualifies under the Employee Retirement Income Security Act of 1974. The University may withhold required amounts and make payments directly to the plan, deducting such amounts from the compensation upon which the coach's contributions to the Employees' Retirement System is based.

Under current law, coaches must be employed with the University for at least ten years before qualifying for retirement benefits under the Employees' Retirement System; however, since coaches seldom stay that long at an institution, few become eligible. This bill allows a coach to accumulate eligibility for retirement benefits in a manner more suitable to the nature of the occupation.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1720, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 914 Culture, Arts and Historic Preservation on H.B. No. 370

The purpose of this bill is to appropriate funds to assist in the inventory, return, and dignified reinterment of Native Hawaiian bones now curated or stored in various museums and other scientific facilities.

Your Committee received testimony in support of the bill from the Office of Hawaiian Affairs (OHA) and members of Hui Malama I Na Kupuna O Hawai'i Nei, a Native Hawaiian organization established to care for the ancestors of Hawai'i. The sole issue raised by the testimony is whether the funds appropriated should be jointly expended by Hui Malama and OHA.

Your Committee finds that Hui Malama's cultural expertise and practical experience in conducting repatriation has been recognized and supported by the Native Hawaiian community. Your Committee further finds that the cultural values and foundations of Hui Malama are necessary components for the success of repatriation and reinterment of Hawaiian ancestral remains. Your Committee therefore strongly urges OHA to work in close consultation and cooperation with Hui Malama toward their common goal of accomplishing the dignified reinterment of Native Hawaiian remains. Your Committee, however, also believes that this will ultimately be done most efficiently if expending authority is vested in OHA.

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 370, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 915 Culture, Arts and Historic Preservation on H.B. No. 547

The purpose of this bill is to establish a temporary executive committee, to be known as the Filipino Celebration Executive Committee, which will develop, plan, and coordinate all arrangements for the commemoration of the 85th anniversary of the arrival of the first Filipino immigrants in Hawaii.

Testimony in support of this measure was received from the 85th Anniversary of the Filipino Migration to Hawaii Executive Committee, the Leeward Community College Filipino Task Force, the Waipahu Neighborhood Board, the Filipino Coalition for Solidarity, Inc., the Department of Theater and Dance of the University of Hawaii, and concerned individuals.

Your Committee has amended the bill to increase the amount of the appropriation from \$1 to \$50,000.

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

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 547, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 547, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 916 Culture, Arts and Historic Preservation on H.B. No. 919

The purpose of this bill is to:

- (1) Create a special fund for the Waikiki Aquarium into which shall be deposited all revenues derived from concessions and all fees and charges from public agencies and private persons collected in conjunction with the operation of the Waikiki Aquarium;
- (2) Allow all children under the age of twelve free admittance to the Waikiki Aquarium; and
- (3) Allow persons over the age of sixty free admittance if on an excursion or tour sponsored by a senior citizens group.

Testimony in support of this measure was received from the University of Hawaii.

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

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 919, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 919, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 917 Culture, Arts and Historic Preservation on H.B. No. 1553

The purpose of this bill is to establish and fund an individual artist fellowship program to recognize and honor Hawaii's exceptionally talented visual and performing artists.

The bill also establishes qualifying standards for participation in the fellowship program as well as the duties of the State Foundation on Culture and the Arts in implementing the standards.

Testimony in support of this measure was received from the Department of Accounting and General Services.

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

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1553, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1553, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 918 Consumer Protection and Business Regulation on H.B. No. 2174

The purpose of this bill is to:

- (1) Replace preferential tax rates given to Hawaii insurance companies with a single insurance premium tax rate for all domestic and foreign insurers; and
- (2) Provide tax credits for eligible insurers who comply with certain requirements.

Under current law, the State imposes a tax on the gross premium income generated by insurance companies doing business in Hawaii. The tax rates depend on the type of insurance and the state in which the insurance company is incorporated. Presently, foreign insurers are taxed at a higher rate than domestic insurers on both life and non-life insurance policies.

The preferential rates are currently being challenged on constitutional grounds, and over \$90 million is in escrow until the litigation can be resolved.

This bill proposes to:

- (1) Tax all authorized insurers at the same rates: 3.2 percent for life insurance contracts, 4.3 percent for non-life insurance contracts, and 0.8775 percent on the gross underwriting profit of ocean marine insurance contracts; and
- (2) Allow tax credits to be claimed by any authorized insurer with annual gross premiums of at least \$250,000 received from all risks or property resident, situated, or located in Hawaii, that has a designated employee residing in Hawaii who is responsible for its insurance operations in the State, provided that the tax credit does not exceed 1.2 percent of the gross premiums in any year.

Your Committee has some concerns regarding this measure, but believes that it addresses a very important issue that warrants further consideration. Therefore, your Committee has amended this bill by deleting the effective date in order to provide for continued discussion, and give the parties involved more time to propose compromise language that will be acceptable to both domestic and foreign insurers, as well as the State.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 2174, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2174, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 919 Consumer Protection and Business Regulation on H.B. No. 832

The purpose of this bill is to clarify the title of the Commissioner of Financial Institutions, permit the Deputy Commissioner to act in the absence of the Commissioner, and authorize the Commissioner to appoint an international banking specialist.

Your Committee finds that in 1990, the Legislature approved the establishment of an international banking specialist within the Division of Financial Institutions. This bill will provide the Division with the statutory authority to hire a specialist, and make other necessary housekeeping provisions.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 832 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 920 Consumer Protection and Business Regulation on H.B. No. 896

The purpose of this bill is to amend Section 125C, Hawaii Revised Statutes, to improve the mechanism by which the Governor may ascertain an impending petroleum energy shortage.

Specifically, the bill institutes more effective qualitative "triggering mechanisms" to be used in determining an energy shortage, including an increase in the demand for any petroleum product, a decrease in the available supply, or both. Further, the bill also requires importers of any petroleum product or other fuel to monitor and report relevant supply and demand data to the Department of Business, Economic Development, and Tourism upon request.

Your Committee has amended this bill by inserting material from S.B. No. 1329, S.D. 1, whose purpose is to enact a petroleum industry information reporting act modeled after the California Petroleum Industry Information Reporting Act of 1980.

Presently, there is no formalized mechanism through which oil industry data is reported by the industry to the State, nor is there any centralized core of oil industry expertise within State government. Therefore, the State is unable to provide appropriate consumer protection in a timely manner when the need arises.

The Department of the Attorney General is conducting an ongoing investigation of petroleum product pricing in Hawaii. The investigation was launched following the dramatic increase in gasoline prices after the Exxon Valdez oil spill in March 1989. The Department's preliminary report, issued in September 1990, indicated that it had great difficulty collecting needed information. The report stated that, accordingly, legislation should be adopted to require refiners, terminal operators, and other wholesalers of petroleum products to report to the State of Hawaii:

- (1) Raw material costs, production costs, storage costs, and marketing costs;
- (2) Sales revenues and volumes;
- (3) Profits for Hawaii operations; and
- (4) Weekly foreign and domestic imports of petroleum and petroleum products.

This amendment will require producers, refiners, marketers, storers, and transporters of oil and oil products to report to the Director of Business, Economic Development, and Tourism, all data relating to the supply and price of petroleum products in Hawaii, and including, without limitation, the data mentioned in the Attorney General's preliminary report. The Director would provide a quarterly analysis and interpretation of the data to the Governor and the Legislature. The Director will also be given rule-making power so that the purpose of the measure can be fully effectuated.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 896, H.D. 1 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 896, H.D. 1, S.D. 1, and be referred to the Committee on Employment and Public Institutions.

Signed by all members of the Committee.

SCRep. 921 Transportation and Intergovernmental Relations on H.B. No. 1509

The purpose of this bill is to grant counties the ability to provide by ordinance for the creation of community facilities districts to finance special improvements and maintenance or to provide services in the county. The bill also allows counties to levy a special tax on property located in the district.

Current law allows the issuance of special improvement or assessment bonds which are used to finance public improvements. This bill provides more flexibility by allowing the counties to initiate proceedings to create special community facilities districts.

Your Committee finds that this bill will enable the counties to pay for new services or operating and maintenance expenses within the district that cannot be met out of general county revenues.

Your Committee has amended this bill by broadening the exemption from special taxes to include not only state owned or leased property, but also property owned or leased by federal and other local government entities.

Your Committee has also made numerous nonsubstantive technical amendments to bring the bill in conformance with S.B. No. 831, S.D. 1.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1509, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 922 (Majority) Judiciary on H.B. No. 1177

The purpose of this bill is to appropriate monies in general funds to the Office of the Lieutenant Governor to replace the current voting system with a new, totally electronic voting system.

Your Committee received testimony in support of the bill from the Lieutenant Governor, the Association of Clerks and Election Officers of Hawaii, the Hawaii Official Election Observer Team and the Hawaii Elections Advisory Committee.

The Lieutenant Governor testified that the following changes necessitate the replacement of the present system: (1) a dramatic increase in election requirements, such as the number of registered voters, candidates and contests, since the installation of the system; (2) the difficulty in obtaining parts and service because of the system's obsolescence; and (3) the increasing length of time required to tabulate the election results. Information from other jurisdictions currently using electronic voting systems points out the electronic systems' ease of use, simple and inexpensive ballot printing requirements, speed of tabulation, low maintenance requirements, and overall reliability and security. The Lieutenant Governor estimated a cost savings of \$883,000 (approximately \$526,000 in ballot printing, \$299,000 in counting center operations and \$58,000 in voting equipment replacement) in the next election if a fully electronic voting system is implemented.

The Lieutenant Governor also testified that the Temporary Advisory Committee on Electronic Voting Systems, which is responsible for evaluating vendor proposals for a fully electronic voting system and making recommendations to the Legislature, has reached a decision to recommend R.F. Shoup Corporation and its Shouptronic 1242 to the Legislature. As a result, he requested that the bill be amended to give the advisory committee authority to negotiate a contract with an election system vendor and to terminate negotiations if they are not going well for the State.

The Association of Clerks and Election Officers testified that an electronic voting system will (1) more efficiently deal with the increasing number of registered voters and the size and complexity of the ballot, (2) eliminate cross-voting and overvoting, and (3) meet all present requirements, including standards promulgated by the Federal Election Commission such as provisions for audit trails and other standard security features.

Concerns were expressed on the lack of confidence in the security and other aspects of an electronic voting system, given that it is fairly new in comparison to manual or partially electronic systems, and on the cost of obtaining such a system.

Your Committee recognizes that some distrust in any new and unfamiliar system is to be expected. However, your Committee also recognizes that a voting system should not be denounced merely because it is new. Your Committee finds that a new electronic voting system is needed. Based on the testimony received, your Committee believes that the proposed system is more secure and eliminates many problems inherent in the present system.

Your Committee amended the bill to authorize the Temporary Advisory Committee on Electronic Voting System to negotiate a contract with an election system vendor and to terminate such negotiations if that is in the best interest of the state.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1177, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1177, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Holt.
Senators Koki and Reed did not concur.

SCRep. 923 (Joint) Judiciary and Transportation and Intergovernmental Relations on H.B. No. 608

The purpose of this bill is to make numerous amendments to the 1990 statute which provides for administrative license revocation.

Your Committees received testimony in support of the bill from: the Judiciary, the Attorney General, the Department of Transportation, the Department of Health, the Prosecuting Attorneys for three of the counties, the police departments of all four counties, the Department of Finance for the City and County of Honolulu, the Oahu Traffic Safety Council, the Hawaii Medical Association, and Mothers Against Drunk Driving. Your Committees received testimony from the Office of the Public Defender expressing concern that the proposed amendments would "abolish the res judicata-collateral estoppel effect a dismissal of license revocation has on criminal proceedings brought under section 291-4, Hawaii Revised Statutes."

Your Committees have another bill, H.B. No. 1016, H.D. 1, with an identical title that can appropriately be used for most of the amendments proposed by this bill. Your Committees chose to use this bill only for the personnel and fiscal aspects of the bill: Section 1, Section 19 and Section 20. All other sections of the bill have been deleted.

Section 1

Section 1 of the bill created a special fund into which all money collected under Chapter 286 would be deposited. The corpus of the new special fund could be expended by the Judiciary "for purposes consistent with this chapter." Your Committees deleted Section 1 entirely.

The primary reason for this deletion is Article III, Section 14 of the Hawaii Constitution, which provides that the subject of a bill must be expressed in the title. The title of this bill refers only to administrative license revocation, which is covered in Part XIV of Chapter 286. The substance of Section 1 is far broader, applying to money collected under the entire chapter and permitting expenditures "for purposes consistent with this chapter." (emphasis supplied)

Your Committees considered merely narrowing the application of this section to Part XIV, but decided to delete it. The bill already provides over \$2.4 million for the initial funding of the administrative license revocation program. In addition, the Judiciary will benefit from administrative license revocation because fewer cases will be tried in district and circuit courts, without any reduction in the judiciary budget request to reflect the decreased workload. To also add a new special fund seems to be unwarranted, especially for a brand new program.

Your Committees recognize that decisions on the creation of a special fund are more appropriately made by the Committee on Ways and Means and will defer to that Committee's final determination. However, as no testimony was presented on this section of the bill at the hearing on March 20, 1991, it seems unnecessary.

Section 19

Your Committees concur that employees should be hired without regard to Chapter 76, as time is of the essence in establishing the administrative license revocation system.

Section 20

Your Committee defers to the Committee on Ways and Means regarding the funding issues and made no amendments to the sums suggested in the current version.

Your Committees on Judiciary and Transportation and Intergovernmental Relations are in accord with the intent and purpose of H.B. No. 608, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 608, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Holt and Yamasaki.

SCRep. 924 Education on H.B. No. 259

The purpose of this bill is to appropriate \$50,000 to the Department of Business, Economic Development, and Tourism to establish an international tourism education institution within the University of Hawaii School of Travel Industry Management. In addition, the private sector has pledged matching funds for this endeavor.

The University's School of Travel Industry Management has been nominated for designation as an international tourism education center by the United Nations' World Tourism Organization. The designation would make the School of Travel Industry Management only one of five institutions in the world and the only one in the Pacific or Asia to be accorded such status. Your Committee finds that such a designation would enhance Hawaii's international role in tourism.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 259, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 925 Education on H.B. No. 1748

The purpose of this bill is to appropriate \$100,000 to the Department of Education to plan and conduct public forums for debating governance of public education in Hawaii, and to establish a blue ribbon panel to study the issue of governance.

Your Committee has amended this bill by deleting its contents and inserting material from S.B. No. 1473, S.D. 1, with certain modifications. This bill proposes to:

- (1) Establish an eleven member task force instead of a blue ribbon panel, to promote public debate, solicit input, identify problems, and make recommendations on the issue of governance as it relates to Hawaii's public education system;
- (2) Establish the task force within the Department of Education for administrative purposes;
- (3) Provide for the appointment of the members of the task force by the Governor, and require the Governor to make all appointments by June 15, 1991;

- (4) Include public school teachers, principals, parents of students in the public education system, business community representatives, and members of the general public on the task force;
- (5) Require the task force to examine the roles and relationships of the various State agencies, departments, and other organizations that deal with the public education system;
- (6) Allow the task force to receive and expend private funds to implement this Act; and
- (7) Appropriate \$75,000 to the Department of Education.

Your Committee finds that if the goal and intent of the Legislature is to make schools the focus of the Department of Education and the community, then the Legislature is obligated to provide a means for schools to achieve this goal by giving them autonomy and flexibility to oversee their destiny. Presently, schools are influenced and managed by various governmental forces, including the Department of Education, the Board of Education, the Legislature, the Governor, the Departments of Budget and Finance and Accounting and General Services, etc. In order for schools to take the lead in managing their affairs, it is imperative that they be empowered to identify their own problems, make necessary decisions, and be given the authority and flexibility to implement workable solutions, without the control of government.

Your Committee believes that in order for school/community-based management in Hawaii's schools to become a reality, an examination and evaluation of the relationships and scope of control of all governmental bodies and the public education system is needed. This assessment will provide the foundation for the restructuring of Hawaii's public education system, and allow the State to move toward its goal of providing an educational system that is "second to none."

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1748, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1748, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 926 Health and Human Services on H.B. No. 256

The purpose of this bill is to authorize the Department of Health to certify mental health outpatient facilities rather than relying on certification only by the Joint Commission on Accreditation of Health Care Organizations (JCAHO) or the Commission on Accreditation of Rehabilitation Facilities (CARF) for health insurance reimbursement for services.

Your Committee received testimony in support of this measure from the Department of Health, the Mental health Association in Hawai'i, Hawaii Medical Service Association, and the Hawaii Public Health Association.

Your Committee would prefer that all facilities meet the requirements of the JCAHO or the CARF requirements but is aware that certain facilities would not be able to meet such requirements as those for the physical plant but nevertheless offer worthwhile treatment programs. Your Committee has therefore amended the bill by mandating that the rules provide certification standards which reflect quality of care and do not compromise the quality of care. It is not the intent of your Committee to allow lower standards of care or a less rigorous process of quality assurance and review than is currently required but rather to provide a measure of flexibility in accreditation.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 256, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 256, H.D. 2, S.D. 1, and be referred to the Committee on Consumer Protection and Business Regulation.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 927 Health and Human Services on H.B. No. 375

The purpose of this bill is to amend the laws relating to the Hawaii State Coordinating Council on Deafness by:

- (1) Providing for seven Council members who are representatives of State or county agencies;
- (2) Replacing all reference to hearing impaired individuals with "deaf, hard-of-hearing, or deaf-blind persons";
- (3) Allowing for two of the seven Council members from the public to be certified or locally screened interpreters;
- (4) Prohibiting the hiring of interpreters who serve as voting Council members from interpreting at Council meetings; and
- (5) Providing for the Council's payment of interpreter services for deaf, hard-of-hearing, or deaf-blind persons participating in programs and activities of tax-exempt organizations qualified under Section 501(c)(3) of the Internal Revenue Code of 1986.

Your Committee has amended this measure by deleting the term "deaf, hard-of-hearing, or deaf-blind" from the provisions relating to the responsibility of the Council for interpreter services and restoring the term "hearing impaired," and requiring the coordination of interpreter services payments by the Council for persons participating in programs and activities of the State and its political subdivisions to commence on July 1, 1992.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 375, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 375, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 928 Health and Human Services on H.B. No. 937

The purpose of this bill is to authorize the Department of Health to collect fees for any of its services.

Your Committee received testimony in support of this measure from the Departments of Health and Human Services.

Your Committee has amended this bill to insure that persons who are unable to pay the required fee will nevertheless be provided with the service. Your Committee also made technical, nonsubstantive amendments for style.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 937, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 937, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 929 Health and Human Services on H.B. No. 953

The purpose of this bill is to establish the Mental Health and Substance Abuse Special Fund funded by money collected for treatment services provided by the mental health and substance abuse programs operated by the State. Money in this fund is to be used to pay for the operating expenses of the various programs. The bill also authorizes the Department of Health to charge for treatment services provided by community mental health centers.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Psychological Association, the State Advisory Council on Mental Health and Substance Abuse, the Mental Health Association in Hawai'i, and the Hawaii Government Employees Association AFSCME Local 152, AFL-CIO.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 953, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 930 Health and Human Services on H.B. No. 1685

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

Specifically, this bill authorizes the issuance of special purpose revenue bonds for:

- (1) \$39,000,000 to enable the Queen's health systems to construct and purchase equipment for a skilled nursing facility, refinance Queen's Halawa laundry and storage construction project, and acquire other long term care facilities; and
- (2) \$20,000,000 to enable the Wilcox Memorial Hospital to acquire the Kauai Medical Group Building, refinance short-term bond equipment purchases, construct a parking facility and expand ancillary and support space, and renovate the emergency room and purchase imaging and diagnostic equipment.

Your Committee has amended this bill to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$135,000,000, to enable The Episcopal Homes of Hawaii, Inc. to plan, design, and construct a senior citizens lifecare retirement community.

Your Committee finds that these projects are in the public interest and will provide for the public health, safety, and general welfare of the citizens of this State.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 1685, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1685, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 931 Health and Human Services on H.B. No. 1927

The purpose of this bill is to provide that actions for recovery of damages for injury caused by childhood sexual abuse must be commenced within two years after the plaintiff discovers that the injury resulted from such abuse.

The plaintiff need not establish which act in a series of acts of childhood sexual abuse caused the injury.

Sexual abuse is often undiscovered for many years because a child tends to repress such treatment. Your Committee finds that sexually abused children should not lose their cause of action because of these repressed feelings, and that this bill will ensure that as an adult the victim will still be able to seek appropriate recovery.

Your Committee has amended this bill by clarifying that any statute of limitations for civil actions based on childhood sexual abuse shall be tolled until the child reaches the age of majority and continue to toll until two years after the discovery of the genesis of the injury. Your Committee has also clarified that the actions contemplated by this bill must be brought by adults.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 1927, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1927, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 932 Health and Human Services on H.B. No. 1958

The purpose of this bill is to authorize the Department of Human Services to establish an emergency grant program for the homeless in addition to an emergency loan program.

Section 5 of Act 307, Session Laws of Hawaii 1990, established an emergency loan program for the homeless with an appropriation of \$250,000. The program is set up to function completely through the private sector, and all loans are made by private provider agencies. The first of these emergency loans was made in late December 1990.

The Department of Human Services testified that an effective homeless program should provide both loans and grants because while a loan program may be appropriate for the needs of the homeless who generate an income, other homeless citizens may experience great difficulty in repaying loans. Your Committee finds that in this situation, grants may be the only reasonable form of assistance available to unemployed homeless citizens. In addition, your Committee finds that a grant program will give the Department of Human Services needed flexibility in providing immediate and essential assistance to Hawaii's homeless population.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 1958 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 933 Health and Human Resources on H.B. No. 2119

The purpose of this bill is to establish a Community Health and Human Services Development Corporation in the Office of State Planning with broad responsibility for health and human service programs in Kalihi-Palama.

The Corporation's Board of Directors will plan and develop new programs and services, exercise oversight, help public and private agencies avoid duplication and fragmentation, coordinate maximum use of governmental resources, and develop other funding sources. An appropriation of \$75,000 for fiscal year 1991-1992 is provided to be expended by the Office of State Planning on establishment of the Corporation.

Your Committee finds centralized coordination and planning is necessary to ensure effective and efficient delivery of needed services to targeted residents of Kalihi-Palama.

Your Committee has amended this bill by providing that the role of the Corporation will be to review rather than oversee, and that the funds shall be expended to plan rather than establish the Corporation. Other nonsubstantive technical amendments have been made for purposes of clarity and style.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 2119, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2119, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 934 Health and Human Services on H.B. No. 2157

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes that:

- (1) Authorizes the Department of Health to establish standards for utilization review or managed care in mental health, alcohol, or drug abuse treatment services; and
- (2) Establishes a complaint resolution panel to review the conduct of utilization review and managed care agents for mental health, alcohol, or drug abuse treatment services.

Your Committee has amended this bill by including a waiver provision that exempts review agents operating under contract with the federal government for utilization review activities relating to recipients and health care providers under Titles XVIII and XIX of the Social Security Act and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) from the provisions of this new chapter.

In addition, technical, nonsubstantive amendments were made to correct drafting errors.

Your Committee finds that this measure provides the basis for the Department of Health to assure the provision of quality health care services in a fair and equitable manner.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 2157, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2157, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 935 Health and Human Services on H.B. No. 264

The purpose of this bill is to increase Medicaid's private provider reimbursement from the current rate of fifty-six percent of customary fees to sixty percent of customary fees to encourage wider provider participation and promote compliance with federal mandates.

Your Committee received testimony in support of this measure from the Department of Human Services, the Hawaii Federation of Physicians & Dentists, the Commission on Persons with Disabilities, the Hawaii Medical Association, and the Hawaii Public Health Association.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 264, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 936 Health and Human Services on H.B. No. 514

The purpose of this bill is to utilize the Aloha Health Corps to maximize the impact of existing programs and create meaningful links between consumers and providers by appropriating funding for the administration of the Aloha Health Corps and for stipends for Aloha Health Corps volunteers.

Your Committee received testimony in support of this measure from the Department of Health.

Upon further consideration, your Committee has amended the bill to include funding to expand the Waianae Diet Program, a key program which can effectively change lifestyles among high risk populations.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 514, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 514, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 937 Health and Human Services on H.B. No. 515

The purpose of this bill is to expand the Medical Treatment Decisions Act to give persons the right to request withdrawal of food and water in a written living will and to allow life-sustaining procedures to be withdrawn when a person has a permanent loss of consciousness or a permanent loss of the ability to interact with others and who has no reasonable chance of regaining this ability.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Federation of Physicians & Dentists, the Life Foundation, the Commission on Persons with Disabilities, the Hawaii Medical Association, Hawaii Long Term Care Association, the National Association of Social Workers, Inc. Hawaii Chapter, the American Association of Retired Persons, the Healthcare Association of Hawaii, the American Civil Liberties Union of Hawai'i, and numerous individuals.

Your Committee also received testimony against this measure and understands the fears expressed. However, your Committee remains confident that this bill and this law in general only expands on the rights of persons who chose to draft a living will. It does not prevent a person from requesting the continuation of any type of procedure including hydration and nutrition. In answer to these criticisms, your Committee has amended this bill to specify that a person may request continued treatment. Your Committee has also included specific language in the suggested form which encourages inclusion of an exact statement about tube feeding. Finally, a provision was added that if there are no specific instructions about tube feeding it shall be presumed it is requested unless there is reliable evidence to the contrary.

Furthermore, your Committee has amended the bill by adding provisions allowing the use of a proxy decisionmaker or durable power of attorney for health care.

Your Committee also amended the bill to more closely reflect the provisions in S.B. 1587, S.D.1.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 515, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 515, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 938 Health and Human Services on H.B. No. 518

The purpose of this bill is to appropriate funds to establish a statewide human immunodeficiency virus/hepatitis B virus (HIV/HBV) occupational exposure emergency response program.

Your Committee received testimony in support of this measure from the Department of Health, the Life Foundation, Hawaii Medical Association, the Hawaii Federation of Physicians & Dentists, the Hawaii Nurses' Association, the Governor's Committee on Aids, and the Healthcare Association of Hawaii.

Your Committee has amended this bill, on the recommendation of the Governor's Committee on Aids, by removing the rule-making authority in SECTION 3. Your Committee agrees that Federal guidelines regarding occupational exposure are already in place.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 518, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 518, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 939 Health and Human Services on H.B. No. 734

The purpose of this bill is to extend the medical services excise tax credit from December 31, 1991 to December 31, 1996. This tax credit is scheduled to "sunset" on December 31, 1991.

Act 321, Session Laws of Hawaii 1989, established a medical services excise tax credit for resident taxpayers for the general excise tax paid on medical expenses that are passed on to them. The credit is claimed against the individual income tax liability. If the credits happen to exceed the amount of the income tax payment, the excess of credits over payments due is refunded to the taxpayer.

Your Committee finds that an extension of the medical services excise tax credit will allow the Department of Taxation and the Legislature to evaluate the effects of this tax credit without presently making it a permanent feature of the State income tax law.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 734, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 940 Health and Human Services on H.B. No. 813

The purpose of this bill is to establish a Hawaii targeted jobs credit for the employment of vocational rehabilitation referrals.

Act 289, Session Laws of Hawaii 1990, established a targeted jobs tax credit by conforming Hawaii's income tax law to specific references to Section 51 of the Internal Revenue Code (IRC). However, amendments made to the IRC as of December 31, 1989, provided that the targeted jobs credits would not be applicable to wages paid after September 30, 1990. Since Hawaii's certification process relates to this targeted job credit, taxpayers are not able to claim this tax credit. This bill seeks to resolve this problem and future conformity problems by deleting all references to Section 51 of the IRC.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 813 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 941 Health and Human Services on H.B. No. 890

The purpose of this bill is to provide for the deposit of the balance of funds appropriated in fiscal year 1990-1991 for the Year of the Family Celebration into the Year of the Family Celebration Trust Fund.

Act 337, Session Laws of Hawaii 1990, designated 1992 as the Year of the Family and established a fifteen-member commission to plan, develop, and coordinate various projects and activities throughout the year of the celebration. In addition, Act 337 establishes a Year of the Family Celebration Trust Fund as the depository for the receipt and expenditure of funds by the Commission. Your Committee finds that this measure will provide for the continued operation of the Commission and enable the Commission to effectively carry out its duties.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 890 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 942 Science, Technology and Economic Development on H.B. No. 237

The purpose of this bill is to authorize the Department of Business, Economic Development and Tourism (DBED) to conduct a study on the feasibility of creating public storage facilities for petroleum products.

Your Committee received supporting testimony from DBED, the Attorney General's Office, and the Hawaii Automotive and Retail Dealers Association.

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

- (1) Appropriating \$200,000 to conduct the study;
- (2) Requiring the DBED to expand the scope of the study to include consideration as to how products would be distributed to resellers and/or consumers, and
- (3) Correcting technical, nonsubstantive errors.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 237, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 237, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 943 Science, Technology and Economic Development on H.B. No. 249

The purpose of this bill is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$42,000,000, to finance capital improvement programs to provide electric energy by Kauai Electric Division of Citizens Utilities Company.

Testimonies in favor of the bill were received from Kauai Electric Company, the Department of Business, Economic Development, and Tourism, and the County of Kauai.

Your Committee finds that the issuance of the special purpose revenue bonds will assist Kauai Electric in the funding of its capital improvement programs which are necessary to maintain reliable electric service to the residents of Kauai. It will result in lower electric rates to consumers, and is in the public interest.

Your Committee adopted the recommendation of Kauai Electric Company by amending SECTION 2 of the bill to clarify that the term "generating facilities" includes two additional diesel generating units at the Port Allen station. In addition, SECTION 3 of the bill was amended to require reporting by the public utilities commission and Kauai Electric on how this funding was used to support State energy policies, as recommended by the Department of Business, Economic Development, and Tourism.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 249, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 249, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 944 Science, Technology and Economic Development on H.B. No. 339

The purpose of this bill is to develop an accurate inventory of the State's ocean energy resources and coastal and marine environment by appropriating funds to the Office of State Planning (OSP).

Under this bill, OSP would develop a coastal and marine environmental database; update and expand ocean energy resource inventories to include data on waves, tides, marine biomass, salinity gradients, and other prospective energy resources; assess the relative environmental impacts of these prospective energy resources on the coastal and marine environment; and identify those shoreline areas most at risk from potential oil spills.

Your Committee received supporting testimony from the Office of State Planning, the University of Hawaii and Hawaiian Electric Renewable Systems, Inc. Your Committee received no testimony opposing the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 339, H.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 945 Science, Technology and Economic Development on H.B. No. 640

The purpose of this bill is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist the Island Power Company in the construction and operation of the Lower Wailua Hydroelectric Project and related facilities on the Wailua River in Kauai.

Your Committee received supporting testimony from the Department of Business, Economic Development, and Tourism, Island Power Company, Kauai Electric Company, and the County of Kauai.

Your Committee finds that the issuance of the special purpose revenue bonds will result in establishment of a hydroelectric power plant which will help reduce Hawaii's dependence on imported oil.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 640, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 946 Science, Technology and Economic Development on H.B. No. 897

The purpose of this bill is to establish a "Hawaii Film Facility Special Fund", into which will be deposited fees from tenants or other users of the Department of Business, Economic Development and Tourism's Diamond Head Film Facility, and any appropriations made to the fund by the Legislature.

Your Committee received supporting testimony from the Department of Business, Economic Development and Tourism. The department testified that the special fund is necessary for it to effectively manage the operations and maintenance of the Diamond Head Film Facility. The department further testified that while legislative appropriations into the special fund may be periodically necessary, it is the department's intent to operate the facility through funds collected from user fees.

Your Committee finds that a well maintained and operated film studio is essential for retaining and attracting television and film productions to the state, and that creation of the Hawaii Film Facility Special Fund will help facilitate this objective.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. 897 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 947 Science, Technology and Economic Development on H.B. No. 899

The purpose of this bill is to define the purpose and to expand the powers and duties of the High Technology Development Corporation (HTDC). The bill also increases the amount authorized by the Director of Finance, with the approval of the Governor, for loans by the HTDC up to the aggregate sum of \$1,000,000.

Your Committee heard supporting testimony from the Executive Director of the High Technology Development Corporation.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 899, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 948 Science, Technology and Economic Development on H.B. No. 907

The purpose of this bill is to authorize the Department of Business, Economic Development, and Tourism, upon passage of this bill and until June 30, 1993, to transfer moneys among the department's business loan revolving funds, as the need arises. The revolving funds involved are the Large Fishing Vessel Loan Program, the Small Fishing Vessel Loan Program, the Capital Loan Program, and the Innovation Development Loan Program.

Your Committee received supporting testimony from the Department of Business, Economic Development and Tourism, the High Technology Development Corporation and from Jennifer Maeda, a concerned student from the Big Island. The Tax Foundation of Hawaii also provided comment on this measure. The Department testified that as of December 31, 1990 the four revolving funds had a combined available funding of \$9,103,245.

In these times of uncertain state revenues receipts and anticipated reduced appropriations, your Committee finds that granting the Department the authority to transfer moneys between department controlled revolving funds as the need arises, gives the state the capability of making loans or otherwise providing funds to deserving applicants without the need to appropriate general revenues into a particular program that might be short of money. Without this authority and without additional appropriations the department would have to deny these requests. The flexibility to transfer funds will permit more efficient use of State funds, while retaining the integrity of each loan program.

Your Committee finds that granting the authority to transfer moneys among department revolving funds is not without precedent. This authority has been granted to the Department of Agriculture by Act 347, Session Laws of Hawaii, 1989.

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

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 907, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 907, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 949 Science, Technology and Economic Development on H.B. No. 1047

The purpose of this bill is to expand HAWAII INC's scope to include national and international businesses for the purpose of developing Hawaii's information industry and to enable HAWAII INC employees to receive the same benefits as other State employees.

Your Committee has amended this bill and changed its purpose by inserting substantive material which will create a new chapter for a Telecommunications and Information Technology Coordination and Policy Council. This Council, which shall be under the Office of the Governor for administrative purposes only, shall formulate a state policy on telecommunications and information technology, develop strategic and operational plans to address a state information network, and provide coordination, procedures, and standards for state agencies.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1047, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1047, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 950 Science, Technology and Economic Development on H.B. No. 1086

The purpose of this bill is to appropriate \$250,000 for each year of fiscal biennium 1991-1993 to the Molokai Business Opportunities Revolving Loan Program, for the purpose of stimulating business development and growth in diversified agriculture on the island of Molokai.

Your Committee received supporting testimony from the Department of Agriculture, Department of Hawaiian Home Lands, Maui Community College, the Office of Hawaiian Affairs, Alu Like, the Molokai Chamber of Commerce, the Molokai Livestock Cooperative, the Molokai Task Force/Maui Economic Opportunity, Inc., and from a Hawaiian Home Lands homesteader.

Your Committee finds that the unique situation of land tenure on Hawaiian Home Lands presents difficulties in securing financing for improvements. As such, much of the Hawaiian Homestead agricultural lands on Molokai remain underutilized. Loans made through the Molokai Business Opportunities Revolving Loan Program (administered by the County of Maui) can assist homesteaders to enter into diversified agricultural farming, and these efforts can serve as prototype examples for further ventures that provide for the economic development of Hawaiian Home Lands.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1086, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 951 Science, Technology and Economic Development on H.B. No. 1117

The purpose of this bill is to grant a franchise for electric service to Maui Electric Company, Limited.

Your Committee heard supporting testimony from Maui Electric Company, Limited. Maui Electric Company, Limited (MECO) has four different franchises covering various districts of the island. These franchises are "grandfathered" under Section 269-7.5, Hawaii Revised Statutes. Although the proposed franchise is not required for MECO to continue to provide electric utility service, it will clarify MECO's service territory, eliminate confusion or conflict between the terms and conditions of its existing franchises for the various districts of the island, and simplify administration of the franchises held by MECO. There was no testimony in opposition to the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1117, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 952 Science, Technology and Economic Development on H.B. No. 1564

The purpose of this bill is to strengthen Hawaii's capability to study the living and geological resources of the 200-mile Hawaiian Exclusive Economic Zone.

Specifically, this bill appropriates \$350,000 for the purchase of a conducting cable which will allow for the use of remotely-operated vehicles on the ocean floor, and \$150,000 for the purchase of the long baseline navigation system. Matching federal funds in the amount of \$2,500,000 have already been earmarked for this project.

Your Committee heard supporting testimony from the Hawaii Undersea Research Laboratory of the School of Ocean & Earth Science & Technology; Makai Ocean Engineering, Inc.; Edward K. Noda & Associates; the Natural Energy Laboratory of Hawaii Authority; and Hawaiian Dredging & Construction Co.

Your Committee finds that this measure will assist the State in its research and investigation of Hawaii's deep sea marine resources.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1564, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 953 Science, Technology and Economic Development on H.B. No. 1705

The purpose of this bill is to make an appropriation of \$1 to the Department of Business, Economic Development, and Tourism's Hawaii Community-Based Development Revolving Fund for use as grants to qualified community based development groups. The bill also authorizes the department to utilize moneys in the fund, not specifically designated for a purpose, for grants, provided that the funds are not so depleted that insufficient funds remain available to make loans.

Your Committee heard supporting testimony from the Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, the Waianae Coast Community Alternative Development Corporation and its supporters, Alu Like, the Rainbow Coalition, Hoa'Aina O Makaha, ANA Hotels Hawaii, Inc., and Hina-Malailena. Examples of the

success of the Waianae community-based development were given. The State Attorney General also provided comment on the measure.

Your Committee finds that community-based development organizations attempt to deal with economic, social, and cultural problems of Hawaii's rural communities by creating jobs and economic activity that not only provide for material sustenance, but create the foundations for stable family and kinship relations, as well as the personal pride and self-esteem that comes from creative and productive labor. The work of community-based development groups complements and enhances the State's human services program efforts. Through the building of a sense of self worth and economic security, community-based development organizations provide the impetus for true community concern and participation.

Act 111, Session Laws of Hawaii 1990, established the Hawaii Community-Based Development Revolving Fund, and authorized the Department of Business, Economic Development, and Tourism to issue grants to assist traditional and small community-based businesses and enterprises in becoming self-sufficient, to encourage the diversification of economic opportunities for Hawaii's residents and communities, and to improve community and social relations. It limits the amount of grants made by the Department pursuant to that Act to \$500,000. During the first six months of the Hawaii Community-Based Development Revolving Fund loan and grants program, one grant of \$470,000 was made to the Waianae Coast Community Alternative Development Corporation, leaving only \$30,000 available for further grants. No loans were made, leaving a \$400,000 balance in the loan portion of the fund.

Your Committee has amended this bill by deleting the amendment to Section 210D-4, Hawaii Revised Statutes, which would permit the Department of Business, Economic Development, and Tourism to use moneys in the revolving fund not appropriated for a specific purpose to make either grants or loans, and further deleting the amendment to Section 210D-11, HRS, which would require that grants be made only with funds specifically appropriated for providing grants.

In addition, your Committee has amended Section 3 of Act 111, Session Laws of Hawaii 1990, by providing that the \$900,000 paid into the Hawaii Community Based Development Revolving Fund be used to provide both grants and loans.

Your Committee has also amended this bill by providing that the appropriation for 1991-1992 may be used for both grants and loans.

Your Committee finds that it is appropriate to replenish the grants section of the Hawaii Community-Based Development Revolving Fund by appropriating additional moneys to the fund. It further finds that the existing limit on the grants program ought to be eliminated to give the Department of Business, Economic Development and Tourism greater flexibility in the administration of the fund.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1705, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1705, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Chang.

SCRep. 954 Science, Technology and Economic Development on H.B. No. 2045

The purpose of this bill is to appropriate funds to increase public access to international, national, and local information resources to promote international and information literacy among citizens of Hawaii through technological and other means.

Your Committee received supporting testimony from the University of Hawaii's Department of Business and Finance and Department of Education, the County of Hawaii, High Technology Corporation, Hawaii Association of School Librarians and various school librarians, Pacific Asian Affairs Council, and several private citizens.

Your Committee finds that international and information literacy among Hawaii residents must be promoted and ultimately achieved to realize the State's goals of becoming the center for international commerce and the hub of the Pacific. Your Committee finds it necessary to commit funds to increase access to electronic information networks, provide education and training in information technology, and enhance information services useful to the public.

Your Committee has amended the bill by specifying the following appropriations:

- (1) \$358,142 for fiscal year 1991-1992 and \$233,315 for fiscal year 1992-1993 to develop multimedia software for foreign language instruction in Section 2;
- (2) \$2,220,271 for fiscal year 1991-1992 and \$1,991,044 for fiscal year 1992-1993 to develop an international electronic bulletin board in Section 3;
- (3) \$115,000 for fiscal year 1991-1992 to facilitate public access between the State Legislature and the county governments in Section 4;
- (4) \$25,000 for fiscal year 1991-1992 to link the U.S. Senate congressional information service to Hawaii's information network on a pilot basis in Section 5; and
- (5) \$125,000 for fiscal year 1991-1992 to hold a youth conference on Hawaii's international role to demonstrate the potential of telecommunications for bridging barriers between nations and to examine ways to prepare Hawaii's youth to make use of Hawaii's growing telecommunications infrastructure to raise Hawaii's international visibility in Section 6.

Your Committee has also made several nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2045, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2045, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 955 Science, Technology and Economic Development on H.B. No. 2049

The purpose of this bill is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, for the purpose of assisting Olokele Sugar Company in the construction and operation of an upgraded boiler system so that Olokele will be able to provide more electrical power to Kauai Electric Company.

Your Committee heard testimony from Olokele Sugar Company, the Department of Business, Economic Development, and Tourism, Kauai Electric Company, and the County of Kauai. Olokele is in the business of growing, harvesting and processing sugar cane on Kauai. It is also an energy producer utilizing bagasse as a fuel. Olokele would like to make efficiency improvements and add generating equipment to utilize surplus bagasse and increase its production of electric power for sale to Kauai Electric Company. Olokele is embarking on this project to ensure its survival as a sugar producer while at the same time reducing Kauai's dependence on imported oil.

Your Committee has amended this bill by making several technical non-substantive amendments for purposes of style and clarity.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 2049, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2049, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 956 Legislative Management on H.B. No. 201

The purpose of this bill is to require the Governor to fill vacancies for unexpired terms in the State Senate and House of Representatives within 60 days of the vacancy. The bill also deletes a repetitive statement that the appointee in the Senate that the appointee be of the same political party or nonpartisan as the person the appointee succeeds.

Your Committee received supporting testimony from The League of Women Voters of Hawaii who advocates the filling of legislative vacancies within a specified and reasonable time period to ensure proper representation of residents of the particular district.

Your Committee concurs and has further amended the bill by removing the requirement that each House appointee be of the same political party as the person the appointee succeeds as of the first day of the vacancy. Your Committee found this addition to be unnecessary because the Governor should be able to take this into consideration when making appointments.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 201, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 201, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 957 Culture, Arts and Historic Preservation on H.B. No. 1288

The purpose of this bill is to appropriate funds for the development of a master plan for the promotion of culture and the arts in the State, including an evaluation of the feasibility of establishing an Office of Cultural Affairs.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts, the Special Assistant to the Governor for Cultural Affairs, and the Department of Education.

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

Your Committee on Culture, Arts and Historic Preservation is in accord with the intent and purpose of H.B. No. 1288, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1288, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 958 Tourism and Recreation on H.B. No. 1254

The purpose of this bill is to transfer the responsibility for an International Tourism Consulting Center and Clearinghouse from the Department of Business, Economic Development, and Tourism (DBED) to the Governor's Office of International Relations.

The bill also appropriates moneys to fund operations of the International Tourism Consulting Center and Clearinghouse.

Your Committee received supporting testimony from the Hawaii Hotel Association, Department of Business, Economic Development, and Tourism, and the Office of International Relations.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 1254, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 959 Tourism and Recreation on H.B. No. 917

The purpose of this bill is to establish the Department of Land and Natural Resources (DLNR) as the agency responsible for overseeing and administering the boating and coastal areas programs by transferring to DLNR the jurisdiction, functions, powers, and duties of the Department of Transportation (DOT) as it relates to these programs.

Your Committee has amended the bill by:

- (1) Removing the provision that DOT must enforce all boating laws as well as conduct offshore patrols;
- (2) Removing the cost of enforcing boating, harbor, navigation, shore waters, and beach law rules, as well as having to assist in abating air, water, and noise pollution from the list of items to be included in the cost of administering the program;
- (3) Eliminating the enforcement clauses from the bill.
- (4) Eliminating the provisions for the Department of Public Safety to provide law enforcement training for marine patrol officers;
- (5) Removing the provision for enforcement of rules on boating facilities, ocean waters, streams, and beaches with easements for the public;
- (6) Removing the exemption of marine patrol enforcement from being transferred to the new department; and
- (7) Adding a SECTION for conflict with provisions of the Act.

Your Committee has also made several nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 917, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 917, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 960 Tourism and Recreation on H.B. No. 1037

The purpose of this bill is to provide for the transfer of certain state parks to the counties and certain county parks to the State in order to better utilize the resources of each jurisdiction.

Your Committee has amended the bill by removing Rainbow Bay state recreation area from the list of state parks to be vested within the city and county of Honolulu.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 1037, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1037, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Mizuguchi.

SCRep. 961 Agriculture and Environmental Protection on H.B. No. 954

The purpose of this bill is to establish a comprehensive Integrated Solid Waste Management Plan to be developed by the Department of Health.

Your Committee amended the bill by including an appropriation for the collection and disposal of household hazardous waste. The bill was also amended to clarify and strengthen the Solid Waste Management Plan provisions.

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

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 954, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 954, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 962 Agriculture and Environmental Protection on H.B. No. 922

The purpose of this bill is to amend Chapter 342 to clarify that violations of environmental laws that extend over multiple days will be penalized as a separate offense each day the violation remains unabated. The bill also allows the first three million dollars obtained from fines and penalties to be deposited into the Environmental Response Revolving Fund.

Your Committee has amended this bill to clarify that the intent of the law is that there are no caps on the penalties paid by polluters for a violation or multiple violations that extend over more than one day or for multiple violations on any one day.

Your Committee has also made nonsubstantive amendments to this bill to correct technical errors and for purposes of style and clarity.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 922, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 922, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 963 Agriculture and Environmental Protection on H.B. No. 923

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes to establish a State asbestos prohibition and abatement program.

Your Committee finds that because of the grave hazards connected with the presence of asbestos and the costs of removal, it is imperative that the Department of Health have the authority to insure that asbestos is no longer used and that asbestos which may be hazardous to the public is removed.

To insure consistency in the penalty provisions, your Committee has deleted the criminal penalties from SECTION 22 relating to negligent violations.

Your Committee has also amended this bill to correct drafting errors for purposes of style and clarity.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 923, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 923, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 964 Agriculture and Environmental Protection on H.B. No. 955

The purpose of this bill is to amend the laws relating to water pollution control.

Specifically, this bill:

- (1) Allows the Director of Health to make grants or loans, or both, to any State or county agency for the construction of wastewater treatment works, provided the moneys are allocated to projects on the basis of existing and future growth patterns;
- (2) Requires an applicant for a grant or loan to provide reasonable assurances that an impact fee structure will be instituted to insure that new developments will pay for their appropriate share of the costs of the wastewater treatment works;
- (3) Provides that any State or county agency receiving State funds must require the installation of the low flow water fixtures and devices for all new residential and public buildings;
- (4) Requires applicants to pay sixty percent of the non-federal share of the estimated cost of the approved treatment works if federal grant funds are available; and
- (5) Requires an annual report to the Legislature on all grants made from the State Revolving Fund, which shall include the name of the recipient, effective date of the grant, amount provided, and the intended or actual use of the funds.

Your Committee has amended this bill by changing the effective date for the installation of low flow water fixtures and devices from July 1, 1992 to July 1, 1993. In addition, this bill was amended to authorize the issuance of revenue bonds by using available federal and state funds as leverage. Technical amendments were also made for purposes of clarity.

Your Committee finds that this measure will assist in the State's water conservation efforts and ensure that needed wastewater facilities are financed and constructed.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 955, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 955, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 965 Agriculture and Environmental Protection on H.B. No. 2052

The purpose of this bill is to require the Department of Agriculture (DOA) to sponsor a pilot program wherein lessees qualifying for agricultural park leases would agree to follow cultivation and use guidelines to be developed by the DOA.

Your Committee has amended this bill to delete SECTION 3 pertaining to specific responsibilities of the DOA and to require an annual report to the Legislature on the pilot program.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 2052, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2052, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 966 Agriculture and Environmental Protection on H.B. No. 2109

The purpose of this bill is to provide funding to allow the School of Public Health to continue its investigation of volcanic air pollution until the Department of Health develops the capability to conduct routine monitoring for volcanic air pollutants.

Kilauea emits tens of thousands of tons of sulfur dioxide gas annually from summit and down-rift vents. When its lava enters the ocean, high concentrations of hydrogen chloride gas are emitted. Its summit emits a large plume of sulfur dioxide gas which affects the entire State of Hawaii. Information on volcanic air pollutants is essential for determining the extent to which public health may be adversely affected, the type of public information and education programs that are needed, and the additional government actions that are required to protect public health. Furthermore, this information is useful to agencies investigating the other possible adverse effects of chemicals found in volcanic air emissions.

Your Committee received testimony in support of this measure from the Department of Health, the School of Public Health, the United States Geological Survey, the Hawaii County Council, the American Lung Association, and many residents of the Big Island.

Your Committee has amended this bill by inserting the sums of \$180,000 for fiscal year 1991-1992 and \$180,000 for fiscal year 1992-1993.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 2109, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2109, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 967 Housing and Hawaiian Programs on H.B. No. 701

The purpose of this bill is to appropriate funds for the 1991-1993 biennium budget of the Office of Hawaiian Affairs (OHA).

Your Committee finds that the funds appropriated by this bill are necessary for the Office of Hawaiian Affairs to efficiently and effectively maintain acceptable standards for the health, welfare and social conditions of Native Hawaiians.

Your Committee has amended the bill by adjusting the line items to more accurately reflect the needs of the Office, deleting provisions relating to the composition of the Sovereignty Advisory Committee, and making minor technical amendments which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 701, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 701, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Aki and Nakasato.

SCRep. 968 Housing and Hawaiian Programs on H.B. No. 865

The purpose of this bill is to appropriate funds to provide low-interest land, home construction, and mortgage loans of up to \$35,000 to residents who have been dispossessed of their homes as a result of volcanic eruptions which began on January 3, 1983 on the Big Island.

The Housing Finance and Development Corporation and the Department of Land and Natural Resources offered testimony in support of this measure.

Your Committee has amended the bill by establishing a maximum annual interest rate of three per cent.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 865, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 865, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Aki and Nakasato.

SCRep. 969 (Joint) Housing and Hawaiian Programs and Judiciary on H.B. No. 895

The purpose of this bill is to create a mechanism for beneficiaries to resolve individual controversies relating to the Hawaiian home lands trust which arose between August 21, 1959 and June 30, 1988. The bill as received is intended to implement one of the recommended actions in the governor's "Action Plan to Address Controversies Under the Hawaiian

Home Lands Trust and the Public Land Trust", submitted to the legislature as required by chapter 673, Hawaii Revised Statutes.

In 1988, after much debate, the legislature enacted Act 395 which gave Native Hawaiians the right to sue the State to resolve controversies relating to the Hawaiian home lands trust on a prospective basis from July 1, 1988. Those controversies which arose between August 21, 1959 and June 30, 1988, were to be resolved by a proposal to be developed and submitted by the governor. The proposal was presented to the legislature this year in the document: "An Action Plan to Address Controversies under the Hawaiian Home Lands Trust and the Public Land Trust".

Your Committees on Housing and Hawaiian Programs and Judiciary have amended this bill by replacing its entire contents to grant individuals affected by the Hawaiian home lands trust to settle their individually affected controversies (as opposed to controversies that affect the beneficiaries as a whole) by suing directly in circuit court. These suits must involve claims and controversies that arose during the period between August 21, 1959 and June 30, 1988 and may be consolidated or maintained as class actions, pursuant to court rules. However, the requirement that the case or controversy be individual in nature may not be overcome by filing a class action relating to claims that could not be individually maintained.

The instant amendment is proposed because your Committees feel that the type of potential suits and the amount of potential damages could not be adequately described or predicted by testifiers. This vagueness could lead the State into a vast, uncharted area of law, and your Committees find that authorizing a board to make these decisions would be inappropriate. The courts are better equipped to settle disputes of this kind and to set standards which are uniform and consistent throughout the State.

Your Committees on Housing and Hawaiian Programs and Judiciary are in accord with the intent and purpose of H.B. No. 895, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senators Aki, Koki and Nakasato.

SCRep. 970 (Joint/Majority) Consumer Protection and Business Regulation, Science, Technology and Economic Development, and Culture, Arts and Historic Preservation on H.B. No. 382

The purpose of this bill is to require a portion of the fees collected from cable television franchise holders to be deposited into the Public Broadcasting Revolving Fund for use in program production by the Hawaii Public Broadcasting Authority.

Your Committees have amended this bill by: (1) decreasing the amount to be deposited by cable operators into the Public Broadcasting Revolving Fund from one percent to one-half of one percent, and (2) including a one year drop dead clause.

Your Committees find that this measure will allow for the continued production of high quality cultural, education, and informational programming by the Hawaii Public Broadcasting Authority, as well as support Hawaii's television and motion picture industry.

Your Committees on Consumer Protection and Business Regulation, Science, Technology and Economic Development, and Culture, Arts and Historic Preservation are in accord with the intent and purpose of H.B. No. 382, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 382, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Koki.
Senators George, Blair and Reed did not concur.

SCRep. 971 (Joint) Consumer Protection and Business Regulation and Housing and Hawaiian Programs on H.B. No. 665

The purpose of this bill is to provide \$36,000 to establish a permanent professional position to administer the registration of condominium projects and limited-equity cooperatives, the processing of public reports, and the implementation of the owner-occupant provisions of chapter 514A, Hawaii Revised Statutes. The bill also appropriates \$8,000 for office equipment for the new permanent position.

Your Committees find that this position will aid in expediting the new condominium project review process which has become increasingly complex due to new disclosure laws, court decisions, liability concerns, and numerous other factors.

Your Committees on Consumer Protection and Business Regulation and Housing and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 665, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committees except Senator Nakasato.

SCRep. 972 Consumer Protection and Business Regulation on H.B. No. 1116

The purpose of this bill is to appropriate funds to continue a comprehensive review of Hawaii laws relating to financial institutions.

Hawaii's laws in the area of financial institutions are among the oldest in the nation, and have been amended in a piecemeal fashion, sometimes without regard to other state or federal laws. As a result, many of our banking statutes are obsolete and ill-suited to meet new developments and emerging trends in the financial industry.

In light of the recent series of failures among financial institutions, deregulation of the industry, and continuing technological advances, it is imperative that changes to any banking laws balance the competitive flexibility and expanded powers required by financial institutions and the need to protect the public and preserve public confidence in the health of these organizations.

Act 128, Session Laws of Hawaii 1990, appropriated initial funds for the Department of Commerce and Consumer Affairs to commence a comprehensive review of the State's laws relating to financial institutions. Your Committee finds that this project is an enormous and very complex undertaking, and additional funds are needed in order to complete the project.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 1116 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 973 Consumer Protection and Business Regulation on H.B. No. 1999

The purpose of this bill is to require the Insurance Commissioner to establish a fraud unit in the Insurance Division to investigate instances of fraudulent activities.

This bill allows the fraud unit to initiate its own investigations and select claims for further investigation from reports submitted to the unit by insurance companies. The unit shall report any alleged violations to the appropriate licensing authority and prosecutor having jurisdiction with respect to violations. This measure also requires insurers who believe a fraudulent claim is being made to report to the fraud unit within sixty days of receipt of the claim. Finally, the Commissioner is required to establish an insurance fraud unit fund to compensate fraud unit investigators.

Your Committee has amended this bill by:

- (1) Requiring insurers who believe a fraudulent claim is being made to report to the fraud unit within sixty days of the time that the insurer becomes aware that a fraudulent claim is being made, instead of within sixty days of receipt of the claim;
- (2) Requiring insurers to make information relating to the alleged fraudulent claim available to the fraud unit instead of providing information upon request by the fraud unit;
- (3) Deleting the establishment of a separate insurance fraud unit fund and providing for the compensation of fraud unit investigators through the Insurance Examiners' revolving fund;
- (4) Providing for the confidentiality of evidence in fraud unit investigations, including the Insurance Division's papers, documents, reports, or evidence relating to an investigation, and further providing that investigators are not subject to subpoena in civil actions concerning pending insurance fraud investigations;
- (5) Clarifying the elements of prohibited activity; and
- (6) Requiring insurers to deposit up to \$500 annually into the Insurance Examiners' revolving fund, to be used solely to support the fraud unit, upon request of the Insurance Commissioner.

Technical, nonsubstantive amendments were made for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 1999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1999, S.D.1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Koki.

SCRep. 974 Agriculture and Environmental Protection on S.B. No. 333

The purpose of this bill is to develop a livestock agricultural park on Oahu.

Your Committee heard supporting testimony from the Board of Agriculture, Office of State Planning, 50th State Dairy Farmers' Cooperative, Kahua Meat Company, Ltd., and Hawaii Food Products, Inc.

Your Committee has amended the bill by removing the amount of the appropriation and the mention of Campbell Industrial Feed Lot as one of the proposed sites for acquisition. Your Committee has concluded that the site shall be named at the discretion of the Department of Agriculture.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 333, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 333, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 975 Agriculture and Environmental Protection on H.B. No. 794

The purpose of this bill is to amend Section 150A-2, Hawaii Revised Statutes, to define "microorganism" and to replace provisions imposing class C felony liability for the importation or possession of prohibited animals with a civil penalty.

Your Committee has amended the bill to expand the definition of "microorganism" to include all unicellular microscopic organisms including but not limited to algae, bacteria, fungi, protozoa, and viruses.

Your Committee further amended the bill to provide that convictions under two or more citations for the same course of conduct or episode shall be considered a single conviction.

Your Committee also made technical amendments to the bill for the purposes of style and clarity.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 794, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 794, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 976 Planning, Land and Water Use Management on H.B. No. 976

The purpose of this bill is to authorize the Board of Land and Natural Resources to set, charge, and collect additional rentals for violation of Chapter 171, Hawaii Revised Statutes, retroactive to the date of violation.

The additional rentals will be considered delinquent payments and subject to interest and service charges.

The Board is currently granted the authority to set, charge, and collect reasonable fines for violations; however, it is not specifically authorized to retroactively charge and collect additional rental payments which may be warranted because of violation of a lease, license, easement, or revocable permit. This bill will allow the Department to more effectively enforce its laws and rules.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 976, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 977 Planning, Land and Water Use Management on H.B. No. 1454

The purpose of this bill is to strengthen and broaden the laws relating to Industrial Parks.

Specifically, the bill does the following:

- (1) Deletes the requirement that an eligible lessee's business must be at least ninety percent industrial;
- (2) Allows the Department of Land and Natural Resources to develop industrial parks under development agreements;
- (3) Provides that, if public lands are developed as a subdivision according to county standards, all activities in the industrial park must conform to such standards;
- (4) Deletes the requirement that each lessee derive a substantial portion of its total annual gross income from activities within the industrial park; and
- (5) Authorizes the Board to issue master leases.

Your Committee finds that this bill will facilitate issuance of leases and development of industrial parks.

Your Committee has amended this bill by providing that terms and conditions of development agreements already existing when a master lease is issued shall be incorporated into the master lease. Your Committee has included this provision at the request of the Sand Island Businessman's Association (SIBA) and with the concurrence of the Department of Land and Natural Resources. It should be noted that at the present time, Sand Island Industrial Park is the only industrial park designated under Section 171-132, Hawaii Revised Statutes. This provision therefore, is essentially limited to the development agreement negotiated with SIBA. Your Committee has also deleted the county standard requirement and made other technical changes that have no substantive effect.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1454, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1454, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 978 Planning, Land and Water Use Management on H.B. No. 1557

The purpose of this bill is to establish a Marine and Coastal Affairs Program in the Office of State Planning to assist the Governor and the Legislature in carrying out policies, principles, and recommendations in the Hawaii Ocean Resources Management Plan.

Among its varied activities the Program, under the leadership of a Deputy Director for Marine and Coastal Affairs, will carry out functions relating to overall ocean resources planning and policy, interagency coordination, facilitation of communication, and conflict resolution. In addition, the Deputy Director will prepare a plan for establishment of a Department of Marine and Coastal Affairs that will consolidate the major ocean-related functions of various state agencies.

An appropriation of \$400,000 for fiscal biennium 1991-1993 is provided to be expended by the Office of State Planning in carrying out the purposes of the bill.

Your Committee finds that this bill provides an efficient and economic means to reduce conflicts over land and water uses and jurisdictions, assure protection of valuable resources, and increase opportunities for economic growth and diversification.

Your Committee has amended this bill as follows:

- (1) Granted the Program jurisdiction over the Exclusive Economic Zone, Coastal Zone Management, and education on marine and coastal affairs;
- (2) Restated the Program's policies, duties, and responsibilities to mirror the provisions of S.B. No. 1525, S.D. 1;
- (3) Designated the Deputy Director as Chairperson of the Advisory Council for Marine and Coastal Affairs, changed the Advisory Council membership to not less than eleven, and provided for staggered terms;
- (4) Provided that the Program shall involve citizens and interested groups and organizations in updating and implementing the Plan;
- (5) Provided for repeal of the Program effective July 1, 1992; and
- (6) Made several nonsubstantive technical changes for the purposes of clarity and style and to generally conform this bill to the language of S.B. No. 1525, S.D. 1.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1557, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1557, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 979 Planning, Land and Water Use Management on H.B. No. 1697

The purpose of this bill is to establish the Natural Area Partnership Grant Program to provide state matching funds on a \$2 to \$1 basis for management of private lands dedicated to conservation.

Grants will be made from the Natural Area Reserve Fund to owners of lands of natural area reserve quality who agree to dedicate the lands in perpetuity and have them managed according to plans that meet standards established by the Department of Land and Natural Resources.

Your Committee finds that the Program will significantly encourage private landowners to manage lands in a manner consistent with the preservation of native plant and animal species.

Your Committee has amended this bill as follows:

- (1) Placed administration of the Program, the Fund, and the Natural Area Reserves System, Chapter 195, with the Board of Land and Natural Resources rather than the Department;
- (2) Specifically provided that all grants and conditions therefor shall be subject to the provisions of Chapter 42 and made appropriate changes to reflect this intent;
- (3) Added an income tax credit to encourage landowner participation in the Program; and
- (4) Made technical changes that have no substantive effect.

Of special importance to your Committee is the requirement that the Program be subject to the provisions of Chapter 42. Your Committee has been advised by the Attorney General's Office that Chapter 42 may be circumvented if a statute contains specific standards for qualification of grantees, conditions and control over the release of public funds, and monitoring and enforcement provisions to ensure compliance by grantees. This, argues the Attorney General, would satisfy Article VII, Section 4 of the State Constitution which provides that "no grant of public money or property shall be made except pursuant to standards provided by law."

Of course, your Committee agrees that Natural Area Partnership grants must be awarded pursuant to standards provided by law. However, your Committee finds the Attorney General's position, whether or not it is correct, to be contrary to the public policy established by the Legislature in enacting Chapter 42. It is clear that Chapter 42 is the law with which grants of public money must comply, and that this law satisfies the spirit and letter of the Constitution. The chapter was intended by the Legislature to apply to all grants of public money in an even-handed and uniform manner.

To make an exception in this bill, therefore, would be contrary to established policy, and your Committee finds no need or compelling reason to alter that policy at this time.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1697, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1697, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 980 Planning, Land and Water Use Management on H.B. No. 1699

The purpose of this bill is to establish the Forest Stewardship Program to assist private landowners in managing, protecting, and restoring important watersheds, timber resources, fish and wildlife habitats, isolated populations of rare and endangered species, and other lands that are not recognized as potential natural area reserves.

Grants will be made from the Forest Stewardship Fund to accomplish the purposes of the Program.

Your Committee finds that the capacity to protect important watersheds and native Hawaiian plants and animals, and to produce renewable forest resources, is to a great extent dependent on conscientious management and dedication of privately owned forest lands. To accomplish this goal, the present system of state and federal financial and technical assistance programs needs to be expanded to encompass such private property. This bill appropriately addresses this need.

Your Committee has amended this bill as follows:

- (1) Placed administration of the Program and Fund with the Board of Land and natural Resources instead of the Department;
- (2) Specifically provided that all grants and conditions therefor shall be subject to the provisions of Chapter 42, Hawaii Revised Statutes, and made appropriate changes to reflect this intent;
- (3) Provided that total payments to a landowner pursuant to the Program shall take into account the reasonable value of material, goods, and services contributed toward the plan by the landowner;
- (4) Added an income tax credit to encourage landowner participation in the Program; and
- (5) Made technical changes which have no substantive effect.

Of special importance to your Committee is the requirement that the Program be subject to the provisions of Chapter 42. Your Committee has been advised by the Attorney General's Office that Chapter 42 may be circumvented if a statute contains specific standards for qualification of grantees, conditions and control over the release of public funds, and monitoring and enforcement provisions to ensure compliance by grantees. This, argues the Attorney General, would satisfy Article VII, Section 4 of the State Constitution which provides that "no grant of public money or property shall be made except pursuant to standards provided by law."

Of course, your Committee agrees that Forest Stewardship grants must be awarded pursuant to standards provided by law. However, your Committee finds the Attorney General's position, whether or not it is correct, to be contrary to the public policy established by the Legislature in enacting Chapter 42. It is clear that Chapter 42 is the law with which grants of public money must comply, and that this law satisfies the spirit and letter of the Constitution. The chapter was intended by the Legislature to apply to all grants of public money in an even-handed and uniform manner. To make an exception in this bill, therefore, would be contrary to established policy, and your Committee finds no need or compelling reason to alter that policy at this time.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1699, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1699, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 981 Planning, Land and Water Use Management on H.B. No. 1955

The purpose of this bill is to appropriate \$100,000 for fiscal year 1991-1992 to be expended by the Department of Land and Natural Resources, through contract with the United States Geological Survey, on a cooperative analysis of the Statewide Water Resources Monitoring Program.

Your Committee finds that the analysis is needed to identify objectives and recommendations for implementation of the State Water Code.

Your Committee has amended this bill by changing the appropriation to \$1 for discussion purposes.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 1955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1955, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee.

SCRep. 982 Health and Human Services on H.B. No. 124

The purpose of this bill is to amend the eligibility requirements for public assistance by authorizing the Department of Human Services to disregard any payment or benefit, other than wages, received by a person for services in a voluntary or involuntary work program conducted by the Department or by a person who obtains employment through personal initiatives.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee amended this measure to clarify that \$1000 in assets may be disregarded in determining a person's financial need and to specify that no applicant or recipient shall be entitled to public assistance if they have over \$1000 in assets.

Your Committee has also made technical, nonsubstantive amendments for style and clarity.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 124, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 124, H.D. 2, S.D. 1, be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 983 Health and Human Services on H.B. No. 544

The purpose of this bill is to authorize the continuance of the "Operation Nightingale" program for four more years to enable a greater number of nursing school graduates to pass the written nursing licensing examination.

Your Committee received testimony in unanimous support of the bill from the Department of Health and numerous individuals and agencies in the private sector.

Your Committee has amended the bill by adding an appropriation of \$1 for fiscal year 1991-1992 to be expended by the Department of Health for the purpose of funding the "Operation Nightingale" program.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 544, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 544, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 984 Health and Human Services on H.B. No. 595

The purpose of this bill is to:

- (1) Clarify notification procedures regarding requests to inspect adoption records;
- (2) Allow an adopted child to request that adoption records be kept confidential; and
- (3) Define the term "natural parent."

Testimony in support of this measure was submitted by the Judiciary and the Adoption Circle of Hawaii.

Your Committee has amended this bill by adding a provision to require notices be mailed with restricted delivery to addressee only and to change the term "legal father" to "legal parent" in the definition of "natural parent."

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 595, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 595, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 985 Health and Human Services on H.B. No. 938

The purpose of this bill is to restructure the purchase of service process of Chapter 42, Hawaii Revised Statutes. The new system would require state agencies to identify and assess needs for services and then evaluate the most appropriate service delivery system. Requests for private providers would then be included in the Executive or Judiciary budget. Grants and subsidies not included in the budget could be submitted directly to the Legislature for consideration.

Upon consideration, your Committee has amended this bill by deleting its provisions and inserting the provisions of S.B. No. 2906, S.D.2, H.D. 1.

Your Committee finds that the Chapter 42 process is, on the whole, viable and that it is far better to strengthen the existing law and to correct some of the problems with implementation than to "throw out the baby with the bath water". Your Committee also finds that the Legislature should assume a more active role in the process than that provided for in the bill as received.

The bill as amended will amend procedures for the review of grants, subsidies, and purchases of service; prevent unnecessary delays in contract execution and payments; establish a mechanism for the automatic review by the legislature

of all requests which have been cut from the Executive budget; and establish a mechanism for the continuous review and amendment of the Chapter 42 process.

Upon further consideration, your Committee has also amended this bill by providing for the monitoring and evaluation of every grant, subsidy, or purchase of service agreement to ensure compliance with Chapter 42.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 938, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 938, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 986 Health and Human Services on H.B. No. 992

The purpose of this bill is to:

- (1) Extend the Personal Care Services Program an additional four years to 1995; and
- (2) Adjust the expenditure ceiling on the Personal Care Services Program, limiting total expenditures to not more than the amount authorized by the federal Health Care Financing Administration.

Your Committee received testimony in unanimous support of the bill from agencies in both the public and private sectors.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 992, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 987 Health and Human Services on H.B. No. 997

The purpose of this bill is to repeal, as of October 1, 1991, Part IX of chapter 346, Hawaii Revised Statutes, pertaining to the "Project Success Program."

The Department of Human Services strongly supported this bill because the purpose of the state funded Project Success Program will be served by the JOBS Program which receives federal matching funds and is therefore more cost effective. Given the State's current financial situation, your Committee must agree with the Department.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 997 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 988 Health and Human Services on H.B. No. 1275

The purpose of this bill is to authorize the Department of Budget and Finance to issue refunding special purpose revenue bonds to assist the continued provision of residential and health care services to the elderly at the Pohai Nani Good Samaritan Kauhale in Kaneohe, Oahu.

Your Committee received testimony from an advocate for the elderly and disabled in support of this measure and the Evangelical Lutheran Good Samaritan Society.

Your Committee has added an additional section to the bill for the purpose of clarity.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 1275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1275, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 989 Health and Human Services on H.B. No. 1930

The purpose of this bill is to authorize a power of attorney for health care decisions also known as a durable power of attorney.

Your Committee received testimony in support of this measure from the Life Foundation, the Hawaii Medical Association, the National Association of Social Workers, Inc., Hawaii Chapter, the American Association of Retired Persons, and the American Civil Liberties Union (ACLU).

Testimony by the ACLU proposed an amendment to address concerns that a person's treating physician should not serve as a surrogate medical decision maker and that the durable power of attorney should only become effective upon the mental or physical disability of the principal. Your Committee agrees with these safeguards and has amended the bill accordingly. Your Committee has also amended the bill to provide that durable power of attorneys drafted prior to the effective date of this law are valid.

Finally, your Committee has amended the bill to meet some of the objections of Hawaii Right to Life. Specifically, the bill has been amended to prevent an agent from authorizing sterilization, abortion, psychosurgery, or the withdrawal or withholding of life-sustaining treatment for a temporary condition unless specifically authorized in the document creating the power of attorney for health care decisions.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 1930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1930, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 990 Health and Human Services on H.B. No. 2117

The purpose of this bill is to appropriate \$75,000 to fund a telecommunication project using the State Information Network and HAWAII FYI for the disabled population, in particular the physically and sensory impaired, to provide equal access to government and information services.

Your Committee received testimony in support of this measure from Hawaii Services on Deafness, the Hawaii Speech-Language-Hearing Association, and a concerned citizen.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 2117, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 991 Health and Human Services on H.B. No. 2159

The purpose of this bill is to amend Section 326-40, Hawaii Revised Statutes, by:

- (1) Designating the three classes of Hansen's disease patients residing in Hawaii as follows:
 - (A) Those who currently reside at Kalaupapa;
 - (B) Those formerly detained at Kalaupapa or Hale Mohalu who presently reside elsewhere in Hawaii; and
 - (C) Those who were never detained by the State;
- (2) Setting for the the State's policy that current and former patient residents of Kalaupapa as well as Hansen's disease patients formerly detained at Hale Mohalu, shall be accorded adequate health care and other services necessary to maintain dignity for the remainder of their lives wherever they may currently dwell within the State; and
- (3) Setting forth the State's policy that Hansen's disease patients who have become residents of the State after June 30, 1969, shall be accorded the best medical attention and services possible.

Your Committee amended the bill to clarify that the Department of Health shall assist both those residents of Kalaupapa who wish to live independently and those who wish to move to other places.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 2159, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2159, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 992 Tourism and Recreation on H.B. No. 158

The purpose of this bill is to authorize a hotelkeeper, manager, personnel relations director, or the director's secretary, to conduct a background check on applicants for employment as a manager, baby sitter, or security guard.

Your Committee finds that hotels play a significant role in Hawaii's visitor industry, and allowing hotels to conduct background checks on applicants would ensure greater security and quality service for their guests.

Your Committee has amended the bill for purposes of clarity and understanding, which does not affect the substance or meaning.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. 158, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 158, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 993 Health and Human Services on H.B. No. 889

The purpose of this bill is to assist in providing permanent funding for the development of family literacy programs across the state by establishing the Public-Private Partners for Literacy Trust Fund.

Your Committee has amended this measure by substituting the provisions of SB1404, S.D.2, which more accurately reflect the views of your Committee.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 889, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 889, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by all members of the Committee except Senators Levin and Mizuguchi.

SCRep. 994 Health and Human Services on S.C.R. No. 4

The purpose of this concurrent resolution is to request the Legislative Auditor to study and report on the coordination of mental health needs of children and adolescents between state agencies.

Your Committee received testimony in support of this measure from the Mental Health Association in Hawaii and many other advocates for mental health programs and children.

Your Committee has amended this concurrent resolution by noting that other states have utilized various mental health delivery systems and requesting the Legislative Auditors to study models from other states. Your Committee further amended this measure by requesting the report be submitted by the first week in January, 1992.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. 4, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. 4, S.D. 1.

Signed by all members of the Committee.

SCRep. 995 Health and Human Services on S.C.R. No. 11

The purpose of this concurrent resolution is to request that the Governor designate a week to call attention to substance abuse in Hawaii.

Your Committee received testimony in support of this measure from the Departments of Health and Human Services and Hina Mauka.

Your Committee finds that public awareness of substance abuse services is an integral part of a solution to the problem and the designation of a week will aid in this goal.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 11 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 996 Health and Human Services on S.R. No. 14

The purpose of this resolution is to request that the Governor designate a week to call attention to substance abuse in Hawaii.

Your Committee received testimony in support of this measure from the Departments of Health and Human Services and Hina Mauka.

Your Committee finds that public awareness of substance abuse services is an integral part of a solution to the problem and the designation of a week will aid in this goal.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 14 and recommends its adoption.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 997 Health and Human Services on S.C.R. No. 20

The purpose of this concurrent resolution is to request the governor to institute proceedings to establish a National Service pilot program in Hawaii.

Your Committee received testimony in support of this measure from the Honolulu Community Action Program, Inc.

Your Committee finds that such a pilot program would be consistent with the State's goal of promoting volunteerism and youth service in Hawaii.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 20 and recommends its adoption.

Signed by all members of the Committee .

SCRep. 998 Health and Human Services on S.R. No. 21

The purpose of this resolution is to request the governor to institute proceedings to establish a National Service pilot program in Hawaii.

Your Committee received testimony in support of this measure from the Honolulu Community Action Program, Inc.

Your Committee finds that such a pilot program would be consistent with the State's goal of promoting volunteerism and youth service in Hawaii.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Senators Mizuguchi and Koki.

SCRep. 999 Housing and Hawaiian Programs on H.B. No. 1053

The purpose of this bill is to exempt the Housing Finance and Development Corporation (HFDC) from liability for pre-existing or future conditions of land condemned for the purpose of residential lease to fee simple conversion.

The HFDC's role, essentially, is to facilitate the conversion of leased land to fee simple land. Therefore, the HFDC should not be responsible or liable for any pre-existing and future conditions of the residential property converted.

Testimony in support of this measure was submitted by HFDC. Testimony regarding this measure was also submitted by various parties, suggesting further amendments to Chapter 516, Hawaii Revised Statutes, to provide for a more equitable residential lease to fee conversion process.

Your Committee finds that the operation of Chapter 516, Hawaii Revised Statutes, to date has unfairly impacted the landowners at the benefit of the lessees who are forcing the sale of the landowner's property. In particular, your Committee finds that the most egregious abuses occur in the areas of qualification of lessees and compensation of landowners.

Your Committee further finds that the State Museum of Natural and Cultural History (the Bishop Museum) provides unique and valuable educational and cultural resources to the citizens of our State. Therefore, your Committee finds that no public use or purpose would be served in condemning, under the provisions of Chapter 516, Hawaii Revised Statutes, land owned or leased by the Bishop Museum or contiguous to the Museum's present campus. Accordingly, your Committee has added a section to the bill amending Section 516-2, Hawaii Revised Statutes, to exclude the Museum's land from lease to fee conversion.

Your Committee has further amended the bill by adding sections to amend Chapter 516, Hawaii Revised Statutes, to tighten the qualification procedures and to give the lessor the right to challenge lessee qualifications. Your Committee has also added sections to provide that the lessor shall be entitled to the unencumbered fee simple value of the property upon condemnation.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1053, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1053, H.D. 1, S.D. 1, and be recommitted to the Committee on Housing and Hawaiian Programs for further consideration.

Signed by all members of the Committee except Senators Aki, McMurdo and Nakasato.

SCRep. 1000 Judiciary on H.B. No. 73

The purposes of this bill are to: (1) amend the offense of sexual assault in the fourth degree by including conduct which presently constitutes sexual assault in the fifth degree, in effect merging the two offenses, (2) add "peeping tom" behavior to the conduct which constitutes sexual assault in the fourth degree, (3) add the word "knowingly" to describe the state of mind required under section 707-733(1)(b), (4) require that the court order a pre-sentence mental and medical examination whenever a defendant is convicted of sexual assault in the fourth degree, and (5) repeal sexual assault in the fifth degree.

Your Committee received testimony in support of the bill from the Department of Health and a private citizen.

Your Committee amended the bill by:

(1) Creating a new dichotomy between behavior that is likely to cause fear of bodily injury or alarm and that which is likely to cause affront. The former, a more serious offense, will constitute fourth-degree sexual assault. The latter has been renamed from sexual assault in the fifth degree to indecent exposure. The newly titled section is intended to deal with behavior such as nude sunbathing or streaking, that does not cause alarm or fear of bodily harm, in circumstances where it is likely to be an affront to a substantial part of the community. Your Committee also deleted references limiting these offenses to actors who are not married to their victim, on the grounds that the limitation is overbroad. For example, cases where a married couple is estranged or separated should not be prohibited.

(2) Amending the "peeping tom" offense by providing that a person commits fourth-degree sexual assault if that person knowingly subjects another person to surreptitious surveillance for the actor's sexual gratification. The new offense had no sexual element, the omission of which obscures the distinction between crimes of a sexual nature and those involving trespass for other purposes.

(3) Giving the court the discretion to order mental and medical examinations on a case-by-case basis rather than by legislative mandate, which would be overbroad.

(4) Deleting Section 1 of the bill, which did not correctly describe the substance of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 73, H.D. 1, amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 73, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 1001 Judiciary on H.B. No. 1317

The purposes of this bill are: (1) to move the offense of "destroying or defacing official notices" from Chapter 95 to the Penal Code and to require that the notices include a statement that warns the public of the penalty; (2) amend Section 710-1010(3), Hawaii Revised Statutes, to elevate the penalty for obstructing government operations from a petty misdemeanor to a misdemeanor; and (3) repeal Chapter 95, Hawaii Revised Statutes.

The Public Defender expressed concern that elevating the offense of obstructing government operations would be a step backward from recent legislation. He stated that Act 150, Session Laws 1980, reduced this offense to a petty misdemeanor, to keep prosecution of these cases in district court for expeditious disposition and in view of the relatively light sentences imposed in these cases.

Your Committee amended the bill by requiring that the warning on the official notice be prominent and refer to the expiration date. Your Committee, also, deleted Section 2 which would have increased the penalty for obstructing government operations to a misdemeanor.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1317, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1317, H.D. 1, S.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 1002 Judiciary on H.B. No. 1918

The purpose of this bill is to amend section 842-1, Hawaii Revised Statutes, by replacing the word "larceny" with "theft" in the definition of "racketeering activity" and including "theft" in the definition of "organized crime".

In support of the bill, the Honolulu Department of the Prosecuting Attorney testified that the replacement of "larceny" with "theft" in the definition of "racketeering activity" will conform the definition to the rest of the penal code. The Department also supported the inclusion of the term "theft" in the definition of "organized crime" since activities such as automobile theft and burglary are sometimes utilized by organized crime members.

However, because theft encompasses many offenses from burglary to shoplifting with penalties ranging from felonies to petty misdemeanors, your Committee is reluctant to add "theft" to the definition of "organized crime". Your Committee finds that the term "organized crime" is intended to cover very specific circumstances and that the inclusion of theft may expand the its scope to cover far more circumstances than are intended.

Therefore, your Committee amended the bill by retaining the amendment to the definition "racketeering activity" and deleting the remainder.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1918, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1918, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Holt.

SCRep. 1003 Judiciary on H.B. No. 2014

The purpose of this bill is to redefine the boundaries of the two judicial districts on the North Shore of Oahu -- the Waialua and Koolauloa judicial districts -- to better accommodate the shifts in population in those districts and to make the Waialua judicial district congruous with the Wahiawa police jurisdiction.

The Waialua judicial district presently extends from Kaena Point to the south side of Waimea Bay. North of Waimea, toward Kahuku, is part of the Koolauloa judicial district. The Waialua District Court is currently sitting in Wahiawa and the Koolauloa District Court in Kaneohe. Under the present law, North Shore residents who reside north of Waimea Bay must travel to Kaneohe to do business with the district court even though the distance to Wahiawa is significantly less than it would be to Kaneohe.

Police officers stationed in Wahiawa Police Station also face the same inconvenience. Since the Wahiawa police jurisdiction extends approximately four miles past Waimea Bay to the Waialea Stream, arrests made and citations issued within that four-mile stretch require Wahiawa police officers as well as witnesses and the person cited or arrested to appear in Kaneohe, although the Waialua District Court is only three blocks from the Wahiawa Police Station.

The bill will extend the Waialua judicial district to Waialea Stream, consistent with Wahiawa police jurisdiction.

Your Committee received testimony in support of the bill from a representative of the Judiciary and an attorney in private practice on the North Shore.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2014, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Holt and Crozier.

SCRep. 1004 Education on H.B. No. 275

The purpose of this bill is to clarify that a person serving as a commissioner for the Western Interstate Commission on Higher Education shall not be deemed as holding a public office.

Your Committee finds that there is a questions as to whether a person may serve on the Western Interstate Commission on Higher Education while holding public office. This bill would eliminate the questions arising in this situation.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 275 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1005 Education on H.B. No. 958

The purpose of this bill is to repeal Section 298-10, Hawaii Revised Statutes, relating to school attendance for blind and deaf children.

The Department of Education testified in support of this measure and stated that guidelines for educating blind and deaf children are included in the federal Education For All Handicapped Children Act and in Chapter 36, Title 8, Hawaii Administrative Rules, "Provision of a Free and Appropriate Public Education for Exceptional Children Who Are Handicapped." These provisions adequately provide for the education of Hawaii's deaf and blind children. This bill is a housekeeping measure that will repeal an unnecessary State law.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 958 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

LCRep. 1006 Executive Appointments on Gov. Msg. No. 203

Recommending that the Senate advise and consent to the nominations of TOSHIO BOB NAGATANI and NALANI P. WILSON-KU to the Cable Advisory Committee, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1007 Executive Appointments on Gov. Msg. No. 205

Recommending that the Senate advise and consent to the nominations to the Board of Cosmetology of the following:

DAWN MARIE, term to expire June 30, 1992; and

M. MAILE HOLT, term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1008 Executive Appointments on Gov. Msg. No. 209

Recommending that the Senate advise and consent to the nomination of CALVIN C.M. KAM, M.D., to the Medical Advisory Board, term to expire June 30, 1994.

Signed by all members of the Committee.

LCRep. 1009 Executive Appointments on Gov. Msg. No. 211

Recommending that the Senate advise and consent to the nominations of GERRY K. FUJII, Pharm.D., and WANDA LOUISE PATE JONES to the Board of Pharmacy, terms to expire June 30, 1995.

Signed by all members of the Committee.

SCRep. 1010 Judiciary on H.B. No. 1558

The purpose of this bill is to broaden Section 709-904.5, Hawaii Revised Statutes, to make it an offense for an adult to solicit, induce, intimidate or otherwise procure a minor to commit crimes. The current law only applies to adults who compensate the minor. In addition, the bill reduces the penalty applicable to the adult's conduct by one grade, so that it is equal to the penalty for the offense committed by the minor.

In support of the bill, the Department of the Attorney General testified that adults are using minors, with increasing frequency, to commit crimes because a minor faces far less severe legal consequences if caught. However, the current law

is too narrow because minors are often used, without compensation, as in the case of adult gang members who conscript minors into their ranks and force them to commit crimes.

The Public Defender testified that the bill is unnecessary because the act of procuring a minor for criminal conduct can be prosecuted under the existing laws of accomplice liability, criminal solicitation and criminal conspiracy, the penalties of which are identical to those in the bill. He also expressed concern that the bill is excessively harsh to young adults. For example, an eighteen-year old will be subject to an additional offense if he or she involves a seventeen-year old in a crime.

Your Committee agrees with the Public Defender that the offense proposed in the bill is no different than the offenses under existing laws. However, your Committee believes that Section 709-904.5, Hawaii Revised Statutes, was not intended to duplicate the laws on solicitation, conspiracy and accomplice, but was intended to impose enhanced penalties for those adults who induce minors into the life of crime. By reducing the enhanced penalties, the bill has, in effect, eliminated the need for the statute. Since that was not the intent of the bill as originally introduced, your Committee amended the bill to reinstate the enhanced penalties. Your Committee also made technical amendments for the purposes of style, clarity and consistency.

The fact that the bill may appear harsh on young adults must be balanced against the bill's remedial effect on minors, and your Committee tips the scale in favor of minors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1558, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1558, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1011 Judiciary on H.B. No. 2210

The purpose of this bill is to make the theft of an animal a petty misdemeanor and to require the finder of a lost animal to notify and release the animal to the owner or humane society or face a \$500 fine.

In support of the bill, the Hawaiian Humane Society testified that the bill will encourage more people to turn lost animals over to a humane society or animal control officer to be reunited with the owners.

Your Committee amended the bill by deleting the theft provision because the present penalties for theft under the Hawaii Penal Code are adequate, and, generally, are greater than or equal to the proposed penalty. See Hawaii Revised Statutes, Sections 708-830.5 et. seq.

Your Committee was also concerned that the bill may have the unintended effect of discouraging people from feeding or otherwise rescuing stray or lost animals for fear of being fined. Therefore, your Committee amended the provision on lost or rescued animals to clarify that only those persons who physically constrain a lost animal will be subject to the provision.

Finally, your Committee amended the penalty to make the fine mandatory and to conform the language to other provisions pertaining to animal regulations in the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2210, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2210, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1012 Housing and Hawaiian Programs on H.B. No. 666

The purpose of this bill is to improve the financial solvency and planning of apartment owners associations by requiring them to prepare budgets and establish reserves for future expenses.

Your Committee finds that the failure to establish adequate reserves can impose considerable hardship on the unit owners in the form of large and unexpected special assessments. In many instances there is no accumulation of reserves for a number of years, then units are sold leaving the successors with an obligation to pay for the lack of reserves.

Your Committee has amended the bill by making several technical amendments which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 666, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 666, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1013 Housing and Hawaiian Programs on H.B. No. 991

The purpose of this bill is to exempt from the Landlord-Tenant Code, residency or occupancy in a public housing complex or shelter directly controlled, owned, or managed by the Hawaii Housing Authority.

Your Committee finds that the Hawaii Housing Authority is effectively governed by State and Federal law and administrative rules which provide adequate safeguards and procedures for landlord-tenant relations between the Hawaii Housing Authority and its tenants without the application of the provisions of the Residential Landlord-Tenant Code.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 991 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1014 Housing and Hawaiian Programs on H.B. No. 2002

The purpose of this bill is to increase the notice period for termination by the landlord of a month-to-month tenancy from twenty-eight (28) days to forty-five days (45) days.

Your Committee finds that more time is required for tenants to secure housing because of the unavailability of affordable rental housing.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 2002, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1015 Judiciary on H.B. No. 364

The purpose of this bill is to extend the duration of protective orders in domestic abuse cases from six months to three years.

Your Committee amended the bill to include a provision which allows the parties, with mutual consent, to terminate the protective order. Your Committee finds that the bill, as amended, will provide added protection to those who need and want it as well as a practical means for the parties to terminate the order when it is no longer necessary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 364, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 364, S.D. 1.

Signed by all members of the Committee.

SCRep. 1016 Science, Technology and Economic Development on H.B. No. 903

The purpose of this bill is to update the statutory designation of the energy resources coordinator by correcting Section 196-3, Hawaii Revised Statutes, for the change in name of the Department of Business, Economic Development, and Tourism.

Your Committee heard supporting testimony from the Department of Business, Economic Development, and Tourism. The bill is a house-keeping measure to bring the Hawaii Revised Statutes current with the new name of the Department of Business, Economic Development, and Tourism. No other revisions are proposed by the bill.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 903 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1017 Science, Technology and Economic Development on H.B. No. 910

The purpose of this bill is to amend Section 206M-2, Hawaii Revised Statutes, which sets forth the qualifications for appointment to the board of directors on the High Technology Development Corporation (HTDC). As received for Senate consideration, it allows no more than one member of the HTDC board of directors to be appointed from officers or employees of the State as a public member, and prohibits officers and employees of the State's political subdivisions from serving as members of the board. The bill also deletes the requirement that the University of Hawaii member of the board be from the College of Engineering faculty.

The HTDC is a state agency whose purpose is to facilitate the growth and development of the commercial high technology industry in Hawaii. Currently, the board of directors of the HTDC has nine members. Six of the members are appointed from the general public, and one is appointed from the faculty of University of Hawaii College of Engineering. None of the six members are permitted to be officers or employees of the State or its political subdivisions.

Your Committee finds that membership on the HTDC board of directors should be based upon the knowledge and expertise of appointees and should not exclude State employees who may have unique capabilities that would broaden the board's effectiveness and amends the bill accordingly.

Your Committee has amended the bill by removing the exclusion of state and county employees from serving on the board.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 910, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 910, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1018 Employment and Public Institutions on H.B. No. 1768

The purpose of this bill is to strengthen the ability of the Department of Labor and Industrial Relations to enforce violations of the Wages and Hours on Public Works Law, Chapter 104, Hawaii Revised Statutes.

Specifically, the bill does the following:

- (1) Authorizes the Director of Labor and Industrial Relations to assess civil penalties of not more than \$1,000 for a first violation;
- (2) Increases the penalty for second violations to not more than ten percent of the total contract amount (previously five percent);
- (3) Allows civil penalties to be appealed to the Labor and Industrial Relations Appeals Board;
- (4) Provides that shortening of a suspension order may be granted only after the contractor or subcontractor has paid all assessed back wages and penalties; and
- (5) Authorizes the contractor to pay any back wages or penalties directly to the Director from payments withheld under the contract.

Your Committee finds that this bill will be of significant benefit in deterring unethical and illegal contracting practices.

Your Committee has amended this bill by clarifying that the penalty for first violations refers to each offense. Your Committee has also made several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 1768, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1768, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1019 Employment and Public Institutions on H.B. No. 2034

The purpose of this bill is to raise the minimum wage in the State of Hawaii to \$4.75 and \$5.25 per hour on January 1, 1992 and January 1, 1993, respectively.

The bill also increases from \$1,000 to \$1,250 the monthly salary which exempts a worker from the protections afforded under the Wage and Hour Law.

The current minimum wage of \$3.85 per hour has been in effect since January 1, 1988, and in the interim the cost of living in this State has greatly increased, placing wage earners at the bottom of the wage spectrum at an ever-increasing economic disadvantage. This bill will impact significantly on the standard of living and well-being of those individuals and families who need the most help, a fact which, in the opinion of your Committee, clearly establishes this bill to be in the public interest.

Your Committee has amended this bill by specifying that the minimum wage shall be \$4.75 per hour effective January 1, 1992, \$5.00 per hour effective January 1, 1993, and \$5.25 per hour effective January 1, 1994. Your Committee has also deleted the Wage and Hour threshold increase.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 2034, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2034, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1020 Transportation and Intergovernmental Relations on H.B. No. 1034

The purpose of this bill is to clarify the Department of Transportation's jurisdiction over the State's ocean waters and navigable streams.

Your Committee finds that this housekeeping measure will make consistent the powers and duties of the Department listed in Section 266-2, Hawaii Revised Statutes, with the jurisdictional provisions of Section 266-1, Hawaii Revised Statutes.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1034 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1021 Transportation and Intergovernmental Relations on H.B. No. 1035

The purpose of this bill is to delegate to the Statewide Transportation Council the duty of making recommendations on all projects submitted to the Legislature involving State highways, harbors, airports, and air transportation.

Your Committee finds that this legislation will remove any conflicts in duties between the Statewide Transportation Council and the State Department of Transportation.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1035 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1022 Consumer Protection and Business Regulation on H.B. No. 1001

The purpose of this bill is to clarify that captive insurance companies are required to comply with all provisions relating to Workers' Compensation Special Fund assessments.

This bill further clarifies that employees covered by a captive insurer are entitled to all benefits payable by the Workers' Compensation Special Fund, including special benefits, should the captive insurance carrier be unable to meet its obligations.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 1001, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1023 Consumer Protection and Business Regulation on H.B. No. 62

The purpose of this bill is to extend the regulation of port pilots to December 31, 1997. In addition, this bill exempts tugs and towboats of less than 1,600 gross tons from pilotage requirements and regulations.

The Department of Commerce and Consumer Affairs (DCCA) testified in favor of this measure, and cited the 1990 sunset evaluation report by the Legislative Auditor, who recommended that the regulation of pilotage be extended. The DCCA also acknowledged other administrative recommendations made by the Auditor, and noted that the DCCA will be working on implementing the recommendations.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 62, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1024 Consumer Protection and Business Regulation on H.B. No. 818

The purpose of this bill is amend the laws relating to the State Certified Arbitration Program (SCAP).

Specifically, this bill provides for an arbitrator's decision to become binding upon the parties in any non-binding arbitration proceeding under the SCAP if neither party requests a trial de novo within thirty days after service of the arbitration award.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

The present statute allows for an arbitration decision to be non-binding if a subsequent trial de novo is requested within thirty days. However, the statute is unclear as to the result of the arbitrator's decision if no trial de novo is requested.

The Department of Commerce and Consumer Affairs testified that the need for the proposed amendment became apparent following a problem that arose after an arbitration proceeding between a consumer and a manufacturer last year. Following the issuance of a non-binding arbitration decision in favor of the consumer, the manufacturer refused to honor the decision, based upon its interpretation that the decision was only "advisory" in nature. The consumer did not file for a trial de novo because he had received a decision in his favor for a full refund of his automobile by the arbitrator, and believed the decision was final. In addition, he could not meet the requirement that if one requests a trial after arbitration, one must improve one's position by at least twenty-five percent or be liable for all costs of trial and attorney's fees, because the decision in his case was already totally in his favor. The manufacturer in this instance sought to benefit from the consumer's "catch-22" situation, contrary to the law's intent.

Clearly, the Legislature meant the term "non-binding arbitration" to apply only during the thirty day period following arbitration when a trial de novo could be requested. This bill clarifies the proper distinction between "non-binding" and "binding" SCAP proceedings: when "non-binding" arbitration is selected by the consumer, either party may request a trial de novo if dissatisfied with the arbitrator's award. If neither party requests a trial de novo, the decision is deemed final and binding. The right to a trial de novo must not be permitted to transform "non-binding" arbitration into a merely advisory proceeding simply because neither party exercises its right to trial de novo.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 818 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1025 Consumer Protection and Business Regulation on H.B. No. 819

The purpose of this bill is to change the examination requirements for licensure as a hearing aid dealer and fitter.

This bill repeals the requirement for separate written and practical exams and provides for a single licensing exam that assesses the applicant's knowledge of required fields.

A recent report by the Legislative Auditor recommended that the Board of Hearing Aid Dealers and Fitters (Board), through research and analysis, develop a more comprehensive approach to constructing Board examinations. However, the current statute, because of its specificity in defining the scope of the examination, prevents the Board from accomplishing this objective.

To comply with the Legislative Auditor's report, this bill seeks to:

- (1) Delete specific requirements of the examination statute which mandate the administration of the licensing examination in a specified manner; and
- (2) Provide for testing in a manner the Board finds appropriate.

Your Committee finds that this bill will give the Board more flexibility in developing a valid licensing examination.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 819, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1026 Consumer Protection and Business Regulation on H.B. No. 820

The purpose of this bill is to include acupuncturists, massage therapists, naturopathic physicians, chiropractors, and pharmacists in the definitions of boards and health care professionals under Chapter 451D, Hawaii Revised Statutes (HRS).

The addition of these five boards under Chapter 451D, HRS, is intended to authorize the Department of Commerce and Consumer Affairs (DCCA) to obtain advisory opinions for use in disciplinary cases handled by the DCCA. The DCCA testified that expert opinions from these additional health care professionals would be invaluable in resolving difficult issues involving professional or ethical misconduct, or negligence.

Your Committee emphasizes that this bill is not intended to affect the types of health care providers authorized to receive third party payments. Your Committee has amended this bill to make this point very clear as to avoid misinterpretation of the intent of this legislation.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 820, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 820, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1027 Consumer Protection and Business Regulation on H.B. No. 822

The purpose of this bill is to amend Section 485-18.7, Hawaii Revised Statutes, in order to strengthen the enforcement tools for securities violations and fraud.

Under the current Uniform Securities Act (Modified), a preliminary order to cease and desist is issued when the Securities Commissioner has just cause to believe that a violation of the Act has occurred or is about to occur. Upon the issuance of a preliminary order to cease and desist, a respondent must cease all securities activities. However, a respondent has the right to request an administrative contested case hearing on the merits of the preliminary order to cease and desist. After the hearing, a final order is issued.

As part of the preliminary order to cease and desist, the Commissioner has the discretion to order sanctions against the offending party. The sanctions have included the assessment of a fine and orders of rescission. In 1990, the authority of the Commissioner to include the assessment of a fine in an order to cease and desist was challenged, and the Circuit Court of the First Circuit ruled that the Commissioner was without authority to impose a fine under Section 485-18.7, Hawaii Revised Statutes, as presently written. The authority to order rescission has not been ruled on by the Circuit Court, although the Commissioner has deemed that the discretion to determine the disposition of a contract includes the authority to order rescission.

This bill would authorize the Commissioner to order payment of a fine and order rescission through the issuance of a final order to cease and desist. The respondent would still have the right to request an administrative contested case hearing on the preliminary order to cease and desist and the determination of appropriate sanctions would be an issue to be decided through the contested case proceeding. No sanction would be imposed without notice and an opportunity to be heard on the sanctions.

This bill also proposes to increase the per annum interest rate to which a defrauded investor is entitled in addition to his or her principal investment from six to ten percent. This rate has not been increased since the adoption of the Uniform Securities Act (Modified) thirty-three years ago. The proposed ten percent rate is based on Sections 478-2 and 478-3, Hawaii Revised Statutes, regarding the legal rate of interest in the absence of an express written contract and the rate of interest on judgments.

The bill also allows the Commissioner to seek civil penalties for securities violations in a maximum amount of \$100,000 for each violation.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 822, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1028 Consumer Protection and Business Regulation on H.B. No. 825

The purpose of this bill is to amend Section 465-7, Hawaii Revised Statutes, to provide uniform experiential requirements for all applicants for licensure as a psychologist.

Current law requires graduates of a regionally accredited institution to meet the experiential requirements contained in the National Register of Health Service Providers in Psychology. This consists of two years of supervised experience (of which at least one year is in an organized health service training program and one year is postdoctoral). No similar statutory requirements exist for graduates of an American Psychological Association approved training program, although administrative rules require an internship period of one year.

Your Committee finds that by specifically stating the experiential requirements in the statute, applicants will have a clearer understanding of what is needed in order to become licensed, and the public will be assured that persons granted a license to practice psychology are duly trained and experienced.

Your Committee has amended this bill by deleting the grandfather clause which would exempt persons currently enrolled in an American Psychological Association approved program from the proposed licensing requirements.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 825, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1029 Consumer Protection and Business Regulation on H.B. No. 999

The purpose of this bill is to require insurers to maintain complete claims service offices in the State to process claims for Workers' Compensation by January 1, 1992.

Currently, insurance carriers and self-insured employers are not required by law to maintain local offices with draft authority, and therefore, the Department of Labor and Industrial Relations has experienced difficulties in enforcing timely payment of Workers' Compensation claims by out-of-state insurers. Often, claims processing is impeded, necessitating that eligible claimants wait a protracted time period before needed compensation is forthcoming.

This bill will make the claims process more efficient and help ensure that eligible claimants receive their benefits on a timely basis.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 999, H.D. 2, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1030 Transportation and Intergovernmental Relations on S.C.R. No. 36

The purpose of this concurrent resolution is to encourage the Federal Aviation Administration (FAA) to adopt rules requiring Federal Aviation Regulations Part 135 Certificates for all tour aircraft.

Your Committee received supporting testimony from the Department of Transportation.

Your Committee finds that aircraft used for nonstop, sightseeing flights that begin and end at the same airport and are operated within a 25-mile radius of the airport are currently exempted from Part 135 certification requirements. Consequently, many helicopters used in sightseeing flights are exempt from FAA requirements normally applicable to aircraft operated for hire. This concurrent resolution urges the FAA to adopt rules which would bring these and other tour aircraft within the coverage of Part 135.

Your Committee has made several technical changes in the concurrent resolution, none of which have any substantive effect.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 36, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 36, S.D. 1.

Signed by all members of the Committee.

SCRep. 1031 Transportation and Intergovernmental Relations on S.R. No. 34

The purpose of this resolution is to encourage the Federal Aviation Administration (FAA) to adopt rules requiring Federal Aviation Regulations Part 135 Certificates for all tour aircraft.

Your Committee received supporting testimony from the Department of Transportation.

Your Committee finds that aircraft used for nonstop, sightseeing flights that begin and end at the same airport and are operated within a 25-mile radius of the airport are currently exempted from Part 135 certification requirements. Consequently, many helicopters used in sightseeing flights are exempt from FAA requirements normally applicable to aircraft operated for hire. This resolution urges the FAA to adopt rules which would bring these and other tour aircraft within the coverage of Part 135.

Your Committee has made several technical changes in the resolution, none of which have any substantive effect.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 34, S.D. 1.

Signed by all members of the Committee.

SCRep. 1032 Transportation and Intergovernmental Relations on S.C.R. No. 83

The purpose of this concurrent resolution is to request the Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu Liquor Commission to work together to formulate proposed comprehensive legislation on liquor-related issues, and that any future legislation dealing with alcohol-related law enforcement be formulated jointly and cooperatively by the four agencies.

Your Committee received favorable testimony from the Hawaii Food and Beverage Association and the Hawaii Hotel Association.

Your Committee has amended the concurrent resolution to include the establishment of a statewide liquor license and fee schedule as an additional issue for the County Commissions to consider.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 83, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 83, S.D. 1.

Signed by all members of the Committee.

SCRep. 1033 Transportation and Intergovernmental Relations on S.R. No. 66

The purpose of this resolution is to request the Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu Liquor Commission to work together to formulate proposed comprehensive legislation on liquor-related issues, and that any future legislation dealing with alcohol-related law enforcement be formulated jointly and cooperatively by the four agencies.

Your Committee received favorable testimony from the Hawaii Food and Beverage Association and the Hawaii Hotel Association.

Your Committee has amended the resolution to include the establishment of a statewide liquor license and fee schedule as an additional issue for the County Commissions to consider.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 66, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 66, S.D. 1.

Signed by all members of the Committee.

SCRep. 1034 Transportation and Intergovernmental Relations on S.C.R. No. 91

The purpose of this concurrent resolution is to direct the Medical Advisory Board to conduct a study on conditions other than age to be considered when licensing drivers.

Your Committee finds that conducting a study supported by factual data will require more time and resources than are immediately available to the Medical Advisory Board.

Your Committee has amended this concurrent resolution by substituting the Department of Transportation for the Medical Advisory Board and requesting that the Department collect and submit to the Legislature all available information pertaining to this subject including, but not limited to, information from the National Highway Traffic Safety Administration.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by all members of the Committee.

SCRep. 1035 Transportation and Intergovernmental Relations on S.R. No. 73

The purpose of this resolution is to direct the Medical Advisory Board to conduct a study on conditions other than age to be considered when licensing drivers.

Your Committee finds that conducting a study supported by factual data will require more time and resources than are immediately available to the Medical Advisory Board.

Your Committee has amended this resolution by substituting the Department of Transportation for the Medical Advisory Board and requesting that the Department collect and submit to the Legislature all available information pertaining to this subject including, but not limited to, information from the National Highway Traffic Safety Administration.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 73, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 73, S.D. 1.

Signed by all members of the Committee.

SCRep. 1036 Housing and Hawaiian Programs on H.B. No. 664

The purposes of this bill are to:

- (1) Amend Part IV of Chapter 514A, Hawaii Revised Statutes, by establishing a public lottery system as the method for reserving owner-occupied units;
- (2) Limit the use of a power of attorney for reserving condominium units;
- (3) Extend the period of time for publication by a developer of the notice of intention to sell a project;
- (4) Require that the developer file a copy of the announcement with the real estate commission at least thirty days prior to its publication;
- (5) Give first opportunity to persons seeking a "principal place of residence"; and
- (6) Provide self-enforcement mechanisms which will aid in reducing violations.

Your Committee received testimony in support of this bill from the Real Estate Commission, the Hawaii Bar Association, the Hawaii Association of Realtors, the Department of the Attorney General, the Gentry Companies, Castle and Cook, Inc., and the Land Use Research Foundation of Hawaii.

Your Committee has amended the bill to delete the establishment of a public lottery system as a method for reserving owner-occupied condominium units, and to eliminate the requirement that a person's intent to be an owner-occupant be reaffirmed by affidavit at the time of closing. Provisions clarifying the operation of the existing chronological system have also been added to the bill. Additionally, your Committee has made extensive nonsubstantive changes for purposes of clarity and conformance with recommended drafting style.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 664, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 664, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1037 Housing and Hawaiian Programs on H.B. No. 667

The purpose of this administration bill is to provide housekeeping amendments to chapter 514A, Hawaii Revised Statutes, for clarification and updating purposes.

Your Committee heard testimony from the Real Estate Commission, the Hawaii State Bar Association, and the Hawaii Association of Realtors.

Your Committee finds that this bill facilitates the registration of condominium projects, the review of registration documents and proposed public reports, and expedites the issuance of public reports.

Your Committee has amended this bill by making technical changes that have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 667, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 667, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1038 Housing and Hawaiian Programs on H.B. No. 114

The purpose of this bill is to require that amendments to condominium declarations be approved by no more than seventy-five per cent of the owners; except that declarations for projects having five or fewer apartments may provide for approval by more than seventy-five per cent of the owners.

Your Committee heard testimony from the Real Estate Commission and the Hawaii State Bar Association in support of the bill.

Under current law, associations must secure the approval of more than seventy-five per cent of the owners to amend their declarations if their existing by-laws or declarations so provide. Your Committee finds that a seventy-five per cent requirement is difficult to obtain and anything more is often impossible. The effect of this bill is to allow the amendment of outdated or impractical declaration provisions which might otherwise be impossible to amend due to unrealistic approval requirements.

Your Committee has amended the bill to allow for the vote of an owner of an apartment designated for commercial use.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 114, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 114, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1039 Housing and Hawaiian Programs on H.B. No. 1989

The purpose of this bill is to provide condominium owners a clear, simple and inexpensive procedure for handling disputes over fee assessments claimed by the association. This bill would also make a condominium owner liable for reasonable attorney's fees if the owner files a suit without first making a good faith effort to resolve assessment disputes through mediation or arbitration.

The Hawaii Real Estate Commission and the Hawaii Council of Associations of Apartment Owners testified in support of this bill, pointing out the problems that have arisen under the current statute. Disputes have occurred, sometimes over small amounts, and gone to trial or escalated needlessly, resulting in expenses to both the condominium owner and the association. This bill provides for arbitration or mediation of these disputes.

Your Committee has amended the bill to clarify the provisions relating to the apartment owner's failure to pay association assessments before or during arbitration or mediation proceedings. Your Committee has also amended the bill by making technical changes which have no substantive effect.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1989, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1989, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator McMurdo.

SCRep. 1040 (Joint) Housing and Hawaiian Programs and Planning, Land and Water Use Management on H.B. No. 1230

The purpose of this bill is to impose affirmative duties on state agencies having responsibility over the use of water resources concerning the reservation of adequate amounts of water for current and future homestead uses by native Hawaiian homesteaders under the Hawaiian Homes Commission Act (HHCA).

Your Committees received testimony from Kia 'Aina, Ka Lahui Hawai'i, the Department of Land and Natural Resources, the State Council of Hawaiian Homestead Associations, the Native Hawaiian Legal Corporation, the Department of Hawaiian Home Lands and interested individuals.

Your Committees find a need for the State to take affirmative action to reserve an adequate amount of water for current and future use by native Hawaiian homesteaders. This bill will meet that need.

Your Committees have amended the bill by making technical and nonsubstantive changes for the purposes of clarity and conformance with recommended drafting style.

Your Committees on Housing and Hawaiian Programs and Planning, Land and Water Use Management are in accord with the intent and purpose of H.B. No. 1230, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1230, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1041 Judiciary on H.B. No. 42

The purpose of this bill is to better conserve the state's fishery resources by requiring the use of nets with larger mesh sizes, thereby allowing smaller fish to escape capture and grow to larger sizes, possibly spawning before being harvested.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee amended the bill to promote more uniform requirements by December 31, 1993.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 42, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 42, H.D. 2, S.D. 1.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1042 Judiciary on H.B. No. 201

The purpose of this bill is (1) to require the Governor to fill vacancies for unexpired terms in the State Senate and House of Representatives within 60 days following the first day of vacancy; (2) to delete a repetitive statement that the Senate appointee be of the same political party or nonpartisanship as the person succeeded; and (3) to clarify that the appointee in the House of Representatives shall be nonpartisan if the appointee succeeds a nonpartisan.

Your Committee received testimony in support of the bill from the League of Women Voters of Hawaii, which advocated the filling of a midterm legislative vacancy by an appointment of an individual of the same political party as the person vacating, within a specific and reasonable time.

Your Committee amended the bill by retaining the repetitive language in subsection 17-3(b) regarding the party affiliation of the appointed Senator. Similar language in subsection 17-3(a) is not applicable to cases where the term "does not end at the next succeeding general election," so the repetition in each of the four paragraphs of subsection 17-3(b) is not redundant.

Your Committee finds that this bill will insure that residents of the districts in which seats are vacated continue to receive full and proper representation in the Legislature.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 201, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 201, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1043 Judiciary on H.B. No. 661

The purpose of this bill is to add a new article to the Uniform Commercial Code, governing the leasing of goods.

The new article provides a comprehensive set of rules dealing with every phase of transactions for the leasing of "goods" and clarifies previous questions regarding security interests. The bill does not apply to real property leases. Specifically, this bill contains basic contract rules to govern leases of goods, including matters of offer and acceptance, statute of frauds, warranties, assignments of interest, and remedies upon breach of contract.

Modernization is long overdue. Courts now depend on the common law to resolve disputes over lease contracts. This creates uncertainty, particularly for companies that conduct business in more than one state, since case law conflicts from state to state. Additionally, many issues have never been addressed in Hawaii's common law.

This measure is the result of several years of work by the Hawaii Commission to Promote Uniform Legislation and the Uniform Law Commissioners. Since 1986, nine states (including California and Oregon) have adopted this new article, and eighteen more (including Oregon) are considering adoption this year.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 661 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1044 Judiciary on H.B. No. 662

The purpose of this bill is to add a new article to the Hawaii Revised Statutes, as part of the Uniform Commercial Code, relating to electronic funds transfers.

This measure will provide a comprehensive body of law on the rights and obligations connected with electronic funds transfers, including the issuance and acceptance of payment orders, execution of sender payment orders by receiving banks, and procedures for payment.

This bill is the result of several years of work by the Uniform Law Commissioners and the Hawaii Commission to Promote Uniform Legislation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 662 and recommends that it pass Third Reading.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1045 Judiciary on H.B. No. 2100

The purpose of this bill is to require that the Office of Hawaiian Affairs be joined as a defendant in any quiet title action involving kuleana lands where the owner of an inheritable interest dies intestate, or partially intestate and the partial intestacy includes the kuleana land, and there is no taker under Article II of the Hawaii Uniform Probate Code.

The history of kuleana lands dictated that when a landowner died without naming a successor to the property, ownership of the kuleana land passed to the adjoining landowner. In 1987, the Legislature enacted the Kuleana Escheat Act, which provided that in such cases, the kuleana lands would pass to the Office of Hawaiian Affairs.

Your Committee finds that this bill addresses difficulties encountered in fully implementing the public policy of the Kuleana Escheat Act of 1987 by ensuring that there is a mechanism by which the Office of Hawaiian Affairs is given formal notice of quiet title actions involving unclaimed kuleana lands. Requiring that the Office of Hawaiian Affairs be joined as a defendant in these actions will serve as this mechanism.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2100, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1046 Judiciary on H.B. No. 83

The purpose of the bill is to delete the requirement that grandparents be notified in guardianship of the person proceedings involving their minor grandchildren, except in cases where both of the minor's parents are deceased.

Your Committee notes that even after the deletion, any grandparent who was a principal caregiver during the two months prior to filing the guardianship petition would still receive notice.

Your Committee amended the bill so that the maternal grandparents will continue to receive notice when the mother is deceased and the paternal grandparents will continue to receive notice when the father is deceased.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 83, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 83, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1047 Judiciary on H.B. No. 621

The purpose of this bill is to (1) provide that the adoption of or any substantive modifications to child support guidelines would permit the Family Court and Agency of the Department of the Attorney General to revise a child support order, and (2) require that the most current guidelines be used to calculate the amount of the child support obligations.

This bill provides parties with a means of obtaining administrative or judicial review of child support orders in cases where the orders were obtained prior to the establishment of the child support guidelines and in situations where the guidelines have been substantially modified.

Your Committee received testimony in support of the bill from the Hawaii County Office of the Corporation Counsel.

Your Committee amended the bill to more accurately reflect its intent by clarifying ambiguities, deleting redundant language, and making other technical changes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 621, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 621, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1048 Judiciary on H.B. No. 964

The purpose of this bill is to amend provisions of the Uniformed Controlled Substances Act.

More specifically, the bill clarifies and updates definitions; includes clinics within the Act to subject them to regulations in order that they may legally store, administer and dispense controlled substances; makes it illegal for a physician to dispense controlled substances to himself or herself; updates the list of drugs defined as anabolic steroids; formalizes existing practices regarding methadone treatment programs in compliance with applicable federal regulations; and codifies current state regulations governing the record maintenance of controlled substances.

Your Committee received testimony on both the bill and on the provisions deleted from the original bill by the House of Representatives; from the Attorney General, Department of Public Safety, the Office of the Public Defender, the Honolulu Police Department, the Hawaii Medical Association, the Hawaii Pharmaceutical Association, and the Waianae Coast Comprehensive Health Center.

After considering all the testimony, your Committee restored sections of the original bill that conform state law to current federal law. These sections upgrade Glutethemide, which is illegally used in combination with Tylenol with codeine No. 4 as a heroin substitute, from a Schedule III to a Schedule II controlled substance and classifies anabolic steroids as a Schedule III substance. It is not clear why these sections were deleted and these amendments will provide federal-state consistency in the regulations that physicians and pharmacists must follow in the handling of controlled substances.

Second, your Committee repealed the section pertaining to the existing penalties for possession and distribution of anabolic steroids to make them conform to the penalties for other Schedule III substances. However, because that section also contained a special exemption for use of steroid implants in cattle, a provision was inserted into the section on Schedule III substances to preserve the exemption.

Third, your Committee repealed the current definitional provisions pertaining to anabolic steroids since the definition of anabolic steroids is included in the section on Schedule III substances.

Fourth, your Committee reinstated a provision penalizing persons who go from doctor to doctor in order to obtain prescriptions for controlled substances in quantities that exceed that which any single physician would prescribe or

dispense. This provision is aimed at the sophisticated "doctor shopper" who profits from selling the prescriptions or the drugs from those prescriptions.

Finally, your Committee reinstated a provision penalizing medical professionals and employees who steal drugs from their place of employment. The provision will make the penalty for this offense consistent with other offenses involving the diversion of controlled substances under Section 329-42, Hawaii Revised Statutes. For example, under Section 329-42(4), a medical employee who alters medical records to obtain drugs may be faced with a class C felony. However, the employee who outright steals the drug is charged only with a penalty based on the value of the goods under existing theft laws. See Hawaii Revised Statutes, sections 708-830, *et. seq.* Thus, if the drugs stolen are valued at \$50.00, the individual will be facing only a petty misdemeanor. This provision will eliminate this anomaly in the law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 964, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 964, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1049 Judiciary on H.B. No. 1017

The purpose of this bill is to clarify the manner of giving notice in forfeiture proceedings under the Hawaii Omnibus Criminal Forfeiture Act and to clarify the procedures for processing administrative forfeitures, including procedures for mitigation or remission.

As introduced, H.B. No. 1017 was an administration bill (ATG-14) which, in addition to the provisions retained in House Draft Number 1:

- (1) Added six offenses to the list of offenses which give rise to forfeiture;
- (2) Required that forfeiture proceedings be initiated within forty-five days of receipt of a written request for forfeiture from a seizing agency;
- (3) Waived the filing fee for a *lis pendens* filed by the prosecuting attorney;
- (4) Established a rebuttable presumption that property acquired at the time of commission of a covered offense is proceeds of the offense, if there is no likely source for the property other than the conduct giving rise to the forfeiture;
- (5) Provided that dismissal or acquittal on the criminal charges, because of the high burden of proof, does not preclude a civil forfeiture proceeding;
- (6) Permitted a stay of civil discovery against the State in a civil forfeiture proceeding until a criminal trial, arising out of the same conduct, is concluded; and
- (7) Clarified certain aspects of judicial "in rem" forfeiture proceedings.

Your Committee received testimony in support of the bill from the Attorney General, county prosecuting attorneys and police chiefs. The testimony also supported the addition of the provisions deleted by the House of Representatives.

Upon consideration all of the submitted testimony, review of the provisions of the Hawaii Omnibus Criminal Forfeiture Act and discussion of the original bill with various agencies involved in the asset forfeiture program, your Committee amended the bill by:

- (1) Adding "money laundering" to the list of offenses for which property is subject to forfeiture, to allow the forfeiture of laundered money. This was only one of six offenses proposed in the bill as introduced. However, the intent of the inclusion of the other five offenses has been addressed in a new section which is discussed in paragraph (7), *infra*.
- (2) Reinstating the section that requires the prosecutor to initiate forfeiture proceedings within forty-five days of receipt of a written request for forfeiture or to return the property seized. This section also provides that an initial determination not to pursue forfeiture does not preclude the prosecutor from initiating a proceeding at a later date. In addition, this section includes the provision eliminating the filing fee when the prosecutor files a *lis pendens* with respect to a forfeiture of real property.
- (3) Deleting a provision prohibiting an extension to file a petition for remission or mitigation or a claim for a judicial proceeding and providing that defects in a petition or claim will not toll the time within which a claim must be filed. Although this provision would expedite proceedings and make case tracking easier for the administering agency, your Committee was concerned that due process would be sacrificed for efficiency, and that claimants would lose their right to contest forfeiture or to fight for their property because their petition or claim, while in substantial compliance, was not in full compliance with the statutory requirements.

Your Committee addressed this issue in other provisions of the bill which clarify that a petition or claim filed in substantial compliance with the statutory requirements will toll the time within which a claim must be filed to dispute the forfeiture. Your Committee also amended the bill to authorize a thirty-day extension for filing the claim upon a written request showing good cause, provided that the request is received within the thirty-day period for filing of a claim.

- (4) Amending provisions regarding information that must be included in a petition for remission or mitigation. The Public Defender expressed concern that those provisions require the petitioner seeking mitigation or remission to allege facts which would be sufficient to bypass administrative proceedings and to challenge the forfeiture in court. These

requirements are inconsistent with remission and mitigation, which are based on the theory that the petitioner admits that the property is subject to forfeiture but is asking the Attorney General to pardon the property because of extenuating or mitigating circumstances not otherwise amounting to a defense to forfeiture. Your Committee amended the requirements so that, instead of facts demonstrating the petitioner's complete ignorance of the offense giving rise to forfeiture, the petition sets forth facts which demonstrate the extent to which the petitioner knew of the offense.

(5) Reinstating the section of the original bill that establishes a rebuttable presumption that property acquired at the time of commission of a covered offense is proceeds of the offense where the owner has no legitimate source of income. The provision makes it possible to forfeit property which can not be traced to a specific transaction but for which there is no legitimate means of acquisition. The section also provides that an acquittal or dismissal of a criminal proceeding does not preclude civil forfeiture proceedings since the burden of proof is higher in criminal cases, and authorizes the court to stay civil forfeiture proceedings where there is an ongoing criminal proceeding arising from the same action.

(6) Reinstating the section pertaining to the criminal forfeiture fund to include penalties paid pursuant to the section on mitigation.

(7) Including a provision authorizing the forfeiture of weapons in accordance with the provisions of the Hawaii Omnibus Criminal Forfeiture Act. This provision will require offenders to forfeit weapons used in the commission of crimes and thereby eliminate the anomaly currently faced by law enforcement officers of having to return the weapon to the offender. Your Committee also repeals Section 134-12, Hawaii Revised Statutes, which would be redundant if the new provision is enacted.

(8) Making technical amendments for the purposes of clarity and style.

Your Committee finds that the amendments will improve the effectiveness and efficiency of the assets forfeiture program.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1017, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, H.D. 1, S.D. 1, be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1050 Judiciary on H.B. No. 1304

The purpose of this bill is to make it an offense to loiter in a public place for the purpose of committing or promoting prostitution.

In support of the bill, the Honolulu Police Department and a private citizen testified that this bill will reduce the number of incidents reported by tourists and residents concerning the aggressive conduct of the prostitutes. The Honolulu Police Department further testified that they believed this bill will make it easier to prosecute cases involving prostitutes who solicit customers on the streets without specifically referring to a fee.

The Public Defender and the American Civil Liberties Union of Hawaii opposed the bill on the grounds that this bill is vague, overbroad and may lead to increased litigation resulting from false arrests and harassment of our citizens. The Public Defender further testified that the bill is unnecessary because the police already have available to them the existing harassment law to deal with the problem they seek to address.

Your Committee finds that the bill will help to protect unwilling victims from repeated harassment, interference and assault by aggressive prostitutes in our public places.

Your Committee recognizes that the opponents of the bill raise very important concerns that need to be addressed. Although interpreting the constitution is a matter for our courts, a bill that appears unconstitutional on its face should not be passed. However, for the reasons stated below, your Committee finds that this bill does not fall within that category.

One of the concerns expressed by the Public Defender is that the language of the bill may be unconstitutionally vague, citing State v. Bloss, 62 Hawaii 147, 613 P.2d 354 (1980), in which the Hawaii Supreme Court struck down a law prohibiting minors from loitering near pinball machines on the grounds that the term "loiter about" was unconstitutionally vague. Had this bill merely used the term "loiter", then it would appear to be on its face unconstitutional under Bloss. However, the bill goes further to define what is meant by loitering, such as remaining or wandering about in a public place and repeatedly beckoning to or repeatedly stopping, or repeatedly attempting to stop, or repeatedly attempting to engage passers-by in conversation, or repeatedly interfering with the free passage of other persons. The language of the bill provides far more clarity than the statute voided by the court in Bloss.

It should also be noted that the court in Bloss distinguished the loitering by minors law from loitering statutes of other jurisdictions, stating that Hawaii's law failed to have the additional requirement of intent to commit an unlawful act. 62 Hawaii at 151-52, 613 P.2d at 357-58. Like those statutes, this bill requires, in addition to loitering, a specific intent to commit an unlawful act, i.e., the crime of prostitution or advancing prostitution.

Furthermore, as the Public Defender acknowledged, a very similar statute has been upheld against a void-for-vagueness challenge by the New Court of Appeals in People v. Smith, 407 N.Y.S.2d 462, 378 N.E. 2d 1032 (1978). Thus, your Committee finds that this concern has been specifically addressed by this bill.

The Public Defender also expressed concern that the language of the bill may be so broad that it criminalizes normal and legitimate activities, citing Johnson v. Carson, 569 F.Supp. 974 (M.D. Florida, 1983), in which a United States District Court struck down a Jacksonville, Florida municipal ordinance. Your Committee has reviewed the Johnson case

as well as other cases on the issue. It appears, from those cases, that overbreadth becomes a real issue when the loitering statutes and ordinances not only require loitering and an intent to commit prostitution, but go beyond that by providing a laundry list of actions and circumstances that are deemed to constitute intent. Any attempt to legislatively specify the circumstances that would manifest intent is going to be either overbroad or underinclusive. The determination of intent based on the totality of the circumstances is best left to the courts to be dealt with on a case-by-case basis. Since this bill does not include a laundry list of what constitutes intent, your Committee finds that the Public Defender's concern for overbreadth is properly addressed.

As to the Public Defender's final concern, your Committee finds that the harassment law, section 711-1106 of the Hawaii Revised Statutes, will probably not be adequate because there may be no intent to "harass, annoy or alarm," which is an element of the offense.

As for the Honolulu Police Department's desire to use this bill, if enacted, to get around the "for a fee" element of proof required in our current prostitution laws, your Committee refers them to the New York cases of *People v. Seabrook*, 105 Misc.2d 542, 432 N.Y.S.2d 446 (1980) and *People v. Smith*, 89 Misc.2d 754, 393 N.Y.S.2d 239, 378 N.E.2d 1032 (1978), which indicate that the New York's loitering for prostitution law, which is very similar to the language in this bill, does not obviate the need to prove an exchange or promise of a fee, except where the arresting officer knew that the defendant had been previously arrested for prostitution and that this knowledge, taken together with other circumstances of the case, amount to an attempt to commit prostitution.

Your Committee amended this bill by:

- (1) Increasing the penalty for loitering for purposes of committing prostitution to a petty misdemeanor to make it consistent with the offense of prostitution;
- (2) Inserting a "drop-dead" clause to give the bill, if enacted, a two-year trial period.
- (3) Correcting typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1304, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1304, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Cobb and Tungpalan.

SCRep. 1051 Judiciary on H.B. No. 2223

The purpose of this bill is to amend the statute of limitation provision of the State Tort Liability Act to provide that tort claims against the State by individuals under a legal disability will not be barred if brought within one year after the legal disability has ceased.

Your Committee received testimony in support of the bill from the Hawaii Academy of Plaintiffs' Attorneys.

Your Committee amended the bill by increasing the tolling period to two years. In other tort actions, individuals with legal disabilities, such as minors, are entitled to institute litigation for a period of time after their legal disability has ceased, pursuant to Section 657-13, Hawaii Revised Statutes. However, because the legislative history of the State Tort Liability Act is silent as to the applicability of Section 657-13, the Act has been construed to exclude a tolling period for the legally disabled. See *Whittington v. State of Hawaii*, __ Hawaii __ (No. 14638, March 8, 1991). As a result of this exclusion, the legally disabled have a lesser period of time in which to sue the State in tort than do (1) those who bring claims against other defendants; (2) those who sue the State in other actions under Chapter 661, Hawaii Revised Statutes; and (3) those who assert medical negligence claims against the State pursuant to Section 662-4, Hawaii Revised Statutes. The bill, as amended, will eliminate this anomaly.

Your Committee also amended the bill by including a provision that the bill will apply retroactively since it is clearly remedial in nature.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2223, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1052 Science, Technology and Economic Development on H.B. No. 1045

The purpose of this bill is to extend the authority of the Public Utilities Commission to investigate and cite persons who engage in unlawful public utility, motor carrier, and water carrier activity. The bill also specifies the fines and citation procedures to be used by the Public Utilities Commission in its execution of its enforcement responsibilities.

Your Committee heard supporting testimony from the Public Utilities Commission and the Hawaii Transportation Association. With the proposed legislation, the Public Utilities Commission will be able to address the current problems of uncertified operators and enforcing current laws. The proposed procedures for fines and citations are consistent with those used by the Department of Commerce and Consumer Affairs. There was no testimony in opposition of the bill.

Your Committee adopted the amendments recommended by the Public Utilities Commission to amend Section 4 of the bill. Section 269-3, Hawaii Revised Statutes, is revised instead of Section 269-6 to allow the commission to appoint economists, legal secretaries, and enforcement officers for the performance of the commission's functions. In addition,

Section 15 of the bill is amended to revise Section 271G-7 instead of Section 271G-19 to give the commission authority to investigate water carriers operating without an appropriate certificate. Other technical, nonsubstantive changes have also been made for clarity and style.

Your Committee also deleted the rule making provision in section 10 of the bill because this authority already exists in the chapter. Clarification was also made that the commission or hearings officer must issue a decision and order conforming with section 91-12, the Administrative Procedures Act. This is necessary for an appeal so that the supreme court will have a written record upon which to decide the case. Clarification was also made that an appeal can only be taken pursuant to a hearing, so that no appeal can be made if the aggrieved party does not request a hearing.

Your Committee made several technical, nonsubstantive amendments for clarity and style.

Your Committee on Science, Technology and Economic Development is in accord with the intent and purpose of H.B. No. 1045, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1045, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1053 Agriculture and Environmental Protection on H.B. No. 38

The purpose of this bill is to make it unlawful to possess or use any gill net in any embayment estuary or marine life conservation district.

Gill nets are a non-selective and very efficient means to trap fish. However, because gill nets are generally set and remain unchecked for several hours, many unwanted fish are caught and found dead from suffocation, internal injury, or infection. This problem is especially acute in embayment estuaries which serve as nursery areas for many marine species and also exert a life long attraction.

Your Committee heard testimony from the DLNR that "marine life conservation" districts are areas of heavy water related recreational traffic. Public meetings and hearings would be held in identifying, defining, and delineating locations in order to ensure ease of public compliance.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 38, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 38, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1054 Agriculture and Environmental Protection on H.B. No. 793

The purpose of this bill is to repeal Section 147-35, Hawaii Revised Statutes (HRS), relating to the Advisory Committee on Flowers and Foliage, and Section 147-36, HRS, relating to the licensing of commercial exporters of flowers and foliage.

Your Committee finds that the current licensing procedure for commercial exporters of flowers and foliage is used mainly to identify such exporters. Since the Plant Quarantine Branch of the Department of Agriculture and the Plant Health Inspection Service of the United States Department of Agriculture can readily provide this information, the repeal of Section 147-36, HRS, will eliminate unnecessary work by the Department of Agriculture without impairing the Department's ability to enforce export requirements for flowers and foliage.

However, your Committee believes that the repeal of the law establishing the Advisory Committee on Flowers and Foliage may be inappropriate at this time, and your Committee has amended the bill accordingly.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 793, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 793, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1055 Employment and Public Institutions on H.B. No. 896

The purpose of this bill is to improve the mechanism by which the Governor ascertains impending petroleum energy shortages.

Specifically, the bill institutes a qualitative rather than a quantitative "triggering mechanism" for determining the existence of an energy shortage, characterized as an increase in demand or a decrease in availability, or both. The bill also requires importers of petroleum products or other fuel to monitor and report relevant supply and demand data to the Department of Business, Economic Development, and Tourism upon request.

This bill also establishes a Petroleum Industry Information Reporting Act which would require producers, refiners, marketers, storers, and transporters of oil and oil products to report to the Director of Business, Economic Development, and Tourism all data relating to the supply and price of petroleum products in Hawaii.

Your Committee finds that the qualitative "trigger mechanism" provided in this measure is comparable to the mechanisms employed by Alaska, Arizona, California, Nevada, Oregon, and Washington, the six states which comprise

the U.S. Petroleum Administration for Defense District V, and will be very useful in Hawaii. However, inclusion of the Petroleum Industry Information Reporting Act shifts the focus and thrust of this measure away from emergency preparedness, which your Committee considers to be the key issue, to bureaucratic reporting, which your Committee believes will have little or no positive impact on the ability of the State to react swiftly and appropriately to an energy shortage. Your Committee believes that emergency preparedness is the most critical energy-related issue facing Hawaii at the present time, and has therefore amended this bill by deleting the proposed Petroleum Industry Information Reporting Act.

Your Committee has also amended this bill by making it effective upon approval instead of July 1, 1991.

Your Committee on Employment and Public Institutions is in accord with the intent and purpose of H.B. No. 896, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 896, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1056 Transportation and Intergovernmental Relations on H.B. No. 1032

The purpose of this bill is to make it an offense for any person to allow or to mislead others into allowing a person under the age of fifteen to operate a thrill craft.

Currently, Section 267-16(a), Hawaii Revised Statutes, prohibits any person under the age of fifteen from operating thrill craft.

Your Committee finds that this bill will address the responsibility of adults who permit or mislead others into permitting a person under the age of fifteen to operate a thrill craft.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1032 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1057 Transportation and Intergovernmental Relations on H.B. No. 1033

The purpose of this bill is to reestablish drivers' license category 3 to include trucks and buses.

Your Committee finds this measure will provide the appropriate drivers' license category for all non-passenger vehicles having a gross vehicle weight rating of 10,000 pounds or less. This category was inadvertently left out of the classified driver licensing system when Section 286-102, Hawaii Revised Statutes, was amended in 1989.

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

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1033, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1033, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1058 Transportation and Intergovernmental Relations on H.B. No. 1036

The purpose of this bill is to authorize the Governor or Director of Transportation as his designee, to dispose of easements and access rights along State highways.

Your Committee finds that by enabling the Governor to designate the Director of Transportation to assist him in processing approval for the disposal of easements and access rights within and along State highways, the process of disposal will be expedited.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1036, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1059 Health and Human Services on H.B. No. 627

The purpose of this bill is to amend Section 323D-54, Hawaii Revised Statutes, to require providers of non-bed services to meet Certificate of Need (CON) requirements, and to clarify CON exemptions as they apply to health care practitioners in private practice.

Your Committee finds that currently, there is no government oversight of providers of non-bed services other than the CON process. Because out-patient services are a growing segment of the health care industry, it is essential that these operations be reviewed to curtail costs and ensure that high standards are maintained.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 627, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1060 Health and Human Services on H.B. No. 933

The purpose of this bill is to:

- (1) Repeal the powers and duties of the Department of Health in relation to radiologic technology;
- (2) Provide that the Director of Health or the Director's designated representative be an ex officio voting member of the board;
- (3) Provide for consistent use of the terms "radiation therapy technology" and "radiologic technology"; and
- (4) Specifically allow the use of the abbreviation C.R.T. for "certified radiation therapy technologist".

Current law provides a dual authority for the licensing of radiologic technologists and radiation therapy technologists by the Department of Health and the Radiologic Technology Board. Your Committee finds that the Radiologic Technology Board should have the sole authority to regulate the licensing of this profession. Your Committee notes that the Department of Health presented testimony stating their intent to continue providing necessary administrative support for the Board to carry out its responsibilities.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 933, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1061 Health and Human Services on H.B. No. 935

The purpose of this bill is to replace the term "venereal disease" with the more conventionally accepted term "sexually transmitted disease" in Chapter 321, Part X, Hawaii Revised Statutes.

Your Committee finds that this change will augment the Department of Health's programs by broadening the terminology in keeping with contemporary circumstances. Your Committee further finds that this change in terminology will not alter existing Department procedures or workload.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 935 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1062 Health and Human Services on H.B. No. 1707

The purpose of this bill is to amend Chapter 323D, Hawaii Revised Statutes (HRS), relating to health planning and resource development and health care cost control.

Specifically, this bill proposes to:

- (1) Establish a definition of consumer;
- (2) Change the definition of "organized ambulatory health care facility" to exclude the private offices of physicians, dentists, and other practitioners of the healing arts who are engaged in private practice;
- (3) Revise the definition of "state health services and facilities plan" to mean a plan developed and prepared by the State Health Planning and Development Agency, rather than the Statewide Health Coordinating Council;
- (4) Clearly establish that the authority for adopting such plans lies with the statewide coordinating health council;
- (5) Clarify that conditional certificates of need may be given with or without conditions;
- (6) Clarify that on the part of the State, the people covered by ex parte contact prohibitions are the administrator and persons on the statewide council, the review panel, and the subarea council;
- (7) Designate the chairperson of the statewide council, instead of the administrator, as the chairperson of a reconsideration committee, and further designate the chairperson of the review panel as the vice-chairperson of the reconsideration committee; and
- (8) Repeal Section 323D-13.5, HRS, which disqualifies employees or spouses of providers from holding the chair of the statewide council, the subarea councils, and the review panel.

Your Committee finds that this bill will strengthen and clarify the laws relating to health planning, and will ultimately enable the State to provide better quality health care services to Hawaii's people.

Your Committee has amended Section 323D-13.5, HRS, to provide that the chairperson of the statewide council shall be a consumer. Technical, nonsubstantive amendments were also made for purposes of clarity and style.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 1707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1707, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1063 Transportation and Intergovernmental Relations on H.B. No. 7

The purpose of this bill is to delete the scheduling restrictions of the motor vehicle driver education training program and open the program to all public and private high school students.

Your Committee finds that this measure will allow high schools more flexibility in conducting driver education programs during non-school hours, as well as affording private school students the opportunity to take advantage of this program.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 7, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1064 (Majority) Transportation and Intergovernmental Relations on H.B. No. 1226

The purpose of this bill is to allow the counties to add unpaid civil fines for violation of county ordinances or rules to real property taxes, water service charges, vehicle weight taxes, and driver's license renewal fees.

Your Committee has amended this bill by deleting its substance and inserting a provision requiring each county police department, upon request, to provide free police escort service for funeral processions. This provision was inadvertently repealed in 1989.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1226, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1226, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senator George did not concur.

SCRep. 1065 Tourism and Recreation on H.B. No. 2009

The purpose of this bill is to eliminate any misinterpretation of Section 183-28, Hawaii Revised Statutes, regarding which hunter education courses comply with the law's requirements. In addition, the bill amends the section to reflect the recent name change of the North American Association of Hunter Safety Coordinators to the Hunter Education Association.

Your Committee has amended the bill by adding a provision that will allow a certificate, wallet card, or other document issued by a State or province agency, to evidence successful completion of the course or program.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 2009, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2009, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1066 Transportation and Intergovernmental Relations on H.B. No. 27

The purpose of this bill is to ensure that all commercial and non-commercial activities at public airports are subject to the penalty provisions of Section 261-21, Hawaii Revised Statutes.

Prior to its amendment in 1980, Section 261-21, Hawaii Revised Statutes, covered penalties for violations of all administrative rules of the Department of Transportation Airports Division. When the law was amended in 1980, the penalties for violation of rules relating to the licensing and regulation of persons engaged in commercial activities in or about the airport premises were inadvertently left out.

Your Committee received testimony in support of this bill from the Department of Transportation.

Your Committee has amended the bill by adding a provision relating to violation of rules relating to the licensing and regulation of persons engaged in commercial activities at public airports.

Your Committee has also amended the bill by making several nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 27, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 27, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1067 Transportation and Intergovernmental Relations on H.B. No. 387

The purpose of this bill is to modify the membership of the Medical Advisory Board.

Your Committee finds that currently, Hawaii law does not provide any guidelines for the granting of drivers' licenses to persons with epilepsy, resulting in much confusion regarding disposition of these applicants. There are presently only three states in the Union which do not have specific guidelines on driving requirements for those with epilepsy. This bill will provide the necessary standards in this difficult area and bring Hawaii in line with the majority of the states.

Your Committee has amended this bill to conform with S.B. No. 1956, S.D. 1, which grants driving privileges to persons with epilepsy on condition that the person with epilepsy, his or her personal physician, and a neurologist all affirm that the person is able to drive safely.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 387, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 387, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1068 Transportation and Intergovernmental Relations on H.B. No. 918

The purpose of this bill is for housekeeping to correct insurance law chapter numbers cited in Section 286-108 and 286-116, Hawaii Revised Statutes. This bill also deletes a part of Section 286-108 so driver license applicants can be tested in any county regardless of where they reside in Hawaii. The title of Section 286-117 is amended to delete an unnecessary term.

Your Committee finds that currently, Section 286-108, Hawaii Revised Statutes, requires driver's license applicants to be examined only in the county they reside. This could be inconvenient and expensive for persons working (temporarily) or going to school in a county other than the one they reside.

Your Committee has amended SECTION 3 of the bill to correct a ramseyer format error.

Your Committee has also amended the bill with several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 918, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 918, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1069 (Majority) Transportation and Intergovernmental Relations on H.B. No. 1023

The purpose of this bill is to make permanent the minimum drinking age of 21.

Your Committee received favorable testimony from the Department of Transportation, the Hawaii Medical Association, and Mothers Against Drunk Driving.

Your Committee finds that this legislation will contribute to reducing the number of traffic accidents involving young adults. Also, without such legislation, the State of Hawaii stands to lose \$9 million in federal highway funds as a consequence of Public Law 98-363.

Your Committee has amended the bill by removing the repeal date, and deleting the request for a study by the Department of Transportation evaluating the effectiveness of the Act.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1023, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1023, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senator Cobb did not concur.

SCRep. 1070 Transportation and Intergovernmental Relations on H.B. No. 1025

The purpose of this bill is to establish an implied consent law for aviators similar to the law now in effect for motor vehicle operators, except that the legal level of intoxication is set at .04 percent weight of alcohol in the aviator's blood, as opposed to the .10 percent level applicable to automobile drivers.

Your Committee received testimony in support of the bill from the Department of Health and the Department of Transportation.

Your Committee finds that this measure will deter pilots from operating aircraft while under the influence of alcohol and provide procedures for revoking operating privileges at state and private airports. In addition, your Committee finds that the .04 percent blood alcohol level specified in this measure is consistent with federal regulations and justified by the grave potential for disaster posed by a pilot whose ability to safely operate an aircraft is affected by alcohol.

Your Committee has amended this bill by clarifying that it provides for revocation of aircraft operating privileges at state and private airports but not for the revocation of the licenses of aviators found in violation, as only the Federal Aviation Administration may revoke licenses. Other nonsubstantive amendments have also been made for the purposes of clarity and style.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1025, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1025, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1071 Tourism and Recreation on H.B. No. 1428

The purpose of this bill is to ensure the public's right of transit along Hawaii's shoreline by clarifying Section 115-4, Hawaii Revised Statutes (HRS).

This measure deletes the phrase "under conditions of safety for the public" in Section 115-4, HRS, because others have interpreted this phrase to encourage certain misguided property owners to create or maintain unsafe conditions in the hopes of limiting the public's transit on beaches and shoreline areas.

Your Committee on Tourism and Recreation is in accord with the intent and purpose of H.B. No. 1428, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1072 Judiciary on H.B. No. 359

The purpose of this bill is to exempt battered spouses from compulsory mediation divorce proceedings, to protect those who may be intimidated if required to negotiate directly with their abusive spouse.

Your Committee amended the bill by replacing its substance with provisions requiring the Family Court to assess all divorce cases prior to mediation for, among other things, past and present abuse, and to screen out those cases that would not benefit from mediation.

Your Committee finds that the bill, as amended, will provide a means to coordinate the services of domestic violence and mediation agencies for the benefit of those who need them.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 359, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Crozier.

SCRep. 1073 Judiciary on H.B. No. 362

The purpose of this bill is to appropriate funds to study the effects of repealing Hawaii's interspousal tort immunity law.

Your Committee received testimony by groups and individuals with varying positions on the bill. The Hawaii Women Lawyers testified in favor of H.B. No. 362, H.D. 2, which proposes a study on the effects of repealing interspousal tort immunity law on other jurisdictions. They were concerned that a repeal of Hawaii's law may have unintended adverse consequences in other areas of the law.

The Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Sexual Assault, the Hawaii Nurses Association, and Collin M. Fritz, an attorney in private practice, felt that a study is unnecessary because sufficient information is already available. They, instead, support the original bill which repealed interspousal tort immunity altogether.

The Hawaii Insurers Council opposed the bill on the assumption that a repeal will cause insurance collusion between spouses, create numerous problems involving interspousal privileges, and disrupt the harmony and accord of marriage.

Background on Hawaii's Interspousal Tort Immunity Law

The common law rules of interspousal immunity were based on the premise that a husband and his wife were considered as "one person in law," and that the female's legal identity merged into the male's upon marriage. Among the disabilities thrust upon a woman by marriage was the loss of capacity to contract for herself, or to sue or be sued without joining her husband as a plaintiff or a defendant. Unitary legal status prevented one spouse from acquiring a tort cause of action against the other for harm perpetrated. Even if a claim could be stated, the husband would have been a plaintiff as well as a defendant in any litigation. Thus, the combination of the various incidents of marriage under common law rendered the maintenance of tort laws between husband and wife impossible.

Changes in the American social order brought about an end to the notion of the concept of one legal personality in husband and wife. Beginning in the 1840s, statutes known as the Married Women's Acts, or Emancipation Acts, were passed in all American jurisdictions. They were designed primarily to secure to a married woman a separate legal identity and a separate legal estate in her own property.

However, even as other jurisdictions were in the process of discarding the concept of a wife's legal subjugation, Hawaii tardily adopted it in 1846 as part of Act I, Statute Laws of His Majesty Kamehameha III. Over a decade later, the Legislative Council reiterated its adherence to the concept when it adopted the Civil Code of the Hawaiian Islands of 1859. It was not until 1888 that a Married Women's Act was enacted in the Kingdom. Chapter XI, Session Laws of 1888, established, *inter alia*, the right of a married women to hold real and personal property in her own right, to make contracts as if she were sole, and to sue and be sued in the same manner as if she were sole. As a consequence, Hawaii, like other states, no longer regarded husband and wife as an indivisible legal unit for most legal purposes. However, Section 5 of Chapter X which granted married women the right to sue in their name also provided that this section "shall not be construed to authorize suits between husband and wife." The language of Section 5 of Chapter X remains intact and is codified in Section 572-28 of the Hawaii Revised Statutes.

Hawaii's Married Women's Act has been subjected to extensive amendment since its adoption. Its substance, after being gendered, is presently compiled in part II of Chapter 572, Hawaii Revised Statutes, on Marriage. See Act 46, 1987 Sessions Laws of Hawaii. Also in 1987, Act 194 was enacted, which amended section 572-22 to permit spouses to make valid contracts with each other and to ratify any interspousal contracts already made which may violate existing law. Committee reports on Act 194 indicate that, in view of contemporary societal standards, the Legislature found that spouses no longer needed the archaic protections from one another provided under the previous law.

Despite the fact that the times and circumstances that saw the creation of the interspousal immunity law have changed dramatically and despite revisions in other provisions pertaining to married women that reflect these changes, the interspousal immunity law has remained virtually unchanged. Because the Hawaii courts have found that this law gave definite legislative provenance to interspousal tort immunity, see *Peters v. Peters*, 63 Hawaii 653, 658, 634 P.2d 586, 590, interspousal tort immunity has also been judicially preserved. Hawaii is one of very few states (and the number is quickly dwindling) in which interspousal immunity has not been abrogated in some manner either by statute or case law.

The issue before your Committee is whether the interspousal immunity should be abolished as to tort claims between spouses. Given that the unitary legal theory has legislatively eroded away, your Committee must determine whether valid rationale for interspousal tort immunity continue to exist.

Public Policy Reasons for Retention of Interspousal Tort Immunity

The public policies most frequently cited in favor of interspousal tort immunity are the preservation of marital harmony, and the prevention of collusive suits.

1. Marital harmony. The policy which has been argued most frequently in favor of continued immunity is that immunity protects peace and felicity in the home, while permitting suits would create, or exacerbate preexisting disharmony caused by the adversarial roles that spouses as litigants are required to adopt.

It is argued that intentional tort cases could jeopardize peace by creating tension that increases throughout the tort litigation process. Merely filing suit could end marriage or drastically reduce the possibility of reconciliation. Pleadings may include bitterly contested accusations that are embarrassing and humiliating and which reopen old wounds. During discovery and trial, parties become more adversarial, incidental to proving the allegations in their pleadings. These cases are unlikely to settle, becoming matters of principle, and the parties are not influenced by pressures that insurers can exert. Trial means embarrassing media coverage, and any relief awarded will be divisive because the defendant must pay the damages and may resent the remedy's imposition for other reasons.

Domestic peace may be disturbed even in negligence actions where intentional behavior is absent and insurance coverage ostensibly insulates the marriage from certain tensions. Filing of suit, use of different counsel and their admonitions against discussing the case can be unsettling. Recurring recriminations of the defendant's negligent behavior may be disruptive, especially since these allegations, made initially in the complaint, continue throughout discovery and culminate at trial.

Persuasive as it may appear, your Committee finds the marital harmony argument is deficient in important respects.

When the tort is intentional as in the case of domestic violence, it is unrealistic to say that there is a state of peace and harmony left to be disturbed. When spouses deliberately hurt one another, civil litigation will not further endanger harmony because none remains to be preserved. Moreover, the value of attempting to maintain harmony may be debatable in certain circumstances. For example, the interests of all family members and society might be better served by ending, rather than perpetrating, marriages in which physical abuse occurs.

In negligence actions, the unintentional character of the conduct and the widespread existence of insurance may minimize potential disruption. The behavior generally lacks the moral reprehensibility, disregard for another's dignity, and insensitivity inherent in willful activity. Moreover, insurance diminishes the possibility of discord because insurance will pay for defense of the suit and any damages awarded, and settlement is more likely, particularly when liability is clear. Litigation can present and actually promote tranquility, especially since successful tort actions can eliminate economic burdens like lost wages and medical expenses imposed upon families by negligently caused interspousal harm for which payment otherwise could not be recovered.

Finally, the marital harmony argument is premised on the paternalistic assumptions that husbands and wives cannot safeguard their own relationships. While this may have been a valid public policy at the time of the enactment of the interspousal immunity law, it is now clearly archaic.

2. Fraud and Collusion. Another rationale for retaining immunity is the fear that allowing husbands and wives to sue each other will result in fraud and collusion, especially when insurance companies are the real parties in interest. It has been argued that the threat of fraud, inherent in all negligence suits when the defendant has insurance coverage, is greater in interspousal tort actions. The litigants, husband and wife, ordinarily have an intimate personal and confidential

relationship. Liability insurance also substitutes the prospect of profit for the risk of financial loss. That potential loss can be great, especially when the victim suffers serious injury and neither other coverage nor familial resources are available. This means that each party and the rest of the family will benefit from a judgment for the plaintiff and will be affected adversely by a verdict for defendant. Moreover, the tortfeasor could profit from the initial wrongdoing by sharing in the recovery. There also may be powerful temptations to fabricate claims, exaggerate the gravity of the defendant's conduct and the severity of the damage suffered, admit liability and conceal potential defenses.

Your Committee, however, finds that this argument fails to acknowledge the safeguards available within the tort litigation system. Safeguards do exist, as early as the time of injury, to protect courts against fraud by spouses. For instance, independent witnesses may have observed the allegedly harmful behavior, and the insured is obligated to cooperate with his or her insurance carrier. During discovery, several techniques can be employed to guard against colluding plaintiffs and defendants. Similarly, many procedures available at trial afford protection. For example, defense counsel's cross-examination may expose dishonest conduct. The testimony of spouses will be especially susceptible to impeachment on the basis of partiality and interest. The trial judge's obligation to instruct jurors on witness credibility and requirements respecting the weight of evidence remain the same in these cases. Moreover, juries in general are quite capable of ascertaining the falsity of claims that present as much potential for incorrect activity as interspousal suits. Furthermore, when a trial judge believes that jurors have failed to detect fraud or collusion, he or she can always modify the jury determination. Finally, a number of persons may be deterred from acting improperly by the rigorous efforts of insurance companies and defense counsel and by the threats of criminal prosecution.

As stated by the Hawaii Supreme Court in Campo v. Taboada, 68 Hawaii 505, 720 P.2d 181 (1986):

"...this threat is no greater than that posed between friends. If we can trust our courts to discourage collusive suits between other related parties, then we can trust them to ferret out fraudulent claims in this situation."

Id. at 508, 720 P.2d at 183. Although Campo involved a third party action for contribution between a husband and a wife under the Uniform Contribution Among Tortfeasors Act, this rationale can apply equally to other tort actions as well.

The collusion rationale does not seem to be supported by the experience of states eliminating the doctrine of interspousal tort immunity, is overinclusive, and frustrates achievement of the compensatory goal of tort law. Your Committee finds that argument unpersuasive.

3. Interspousal privilege. Another argument occasionally raised by opponents of the abolition of interspousal immunity is the concern that problems will be created because of interspousal privileged communication. Your Committee, however, finds that the interspousal privilege should be treated no different than the privilege between a doctor and patient, or between an attorney and client. In cases involving legal or medical malpractice, for example, the privilege is waived as to any and all communications relevant to the litigation, and communications are disclosed.

For the foregoing reasons, your Committee amended the bill by deleting the appropriation to study the issue and, instead, abolished the interspousal tort immunity law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 362, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 362, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1074 Judiciary on H.B. No. 589

The purpose of this bill is to require lobbyists, their clients, and others to file a lobbying statement of contributions and expenditures on March 15, during the legislative session.

Presently, lobbying statements of contributions and expenditures are filed twice a year. A filing during the legislative session would enable the public and legislators to determine whether lobbyists are supported by a narrow special interest or by broad community organizations.

The State Ethics Commission submitted testimony in support of this bill.

Opponents of the bill expressed concerns that an extra report, in addition to the two reports already required, would be too burdensome. In addition, the March 15 deadline and its reporting period are contrary to normal billing practices since many accounts are kept on a monthly basis. The deadline should be extended to the end of the month to reflect normal billing practices and to give additional preparation time in light of the increased workload of the lobbyists and clients during the legislative period.

Your Committee extended the March 15 deadline to March 31, eliminated the June 30 deadline so that only two reports need to be filed, and changed the reporting periods to reflect normal billing practices. Your Committee finds that this bill, as amended, will address the opponents' concerns without undermining the purpose of the bill, which is to keep the legislators and the public informed of the opposition and support during the legislative period.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 589, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 589, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1075 Judiciary on H.B. No. 794

The purpose of this bill is to amend Section 150A-2, Hawaii Revised Statutes, to define "microorganism" and to replace provisions imposing class C felony liability for the importation or possession of prohibited animals with a fine.

Your Committee amended the bill to provide that any convictions would be "violations".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 794, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 794, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1076 Judiciary on H.B. No. 1090

The purpose of this bill is to establish penalties for minors and their parents or guardians who violate Hawaii's curfew laws.

Your Committee received testimony supporting the intent of the bill from the Department of Education, the Honolulu Police Department, and student representatives from the Kaimuki High School and Maunawili Elementary School. These proponents expressed concern over the increased involvement of minors in crimes committed during curfew hours. The Kaimuki High School representatives further testified that providing counseling and authorizing community service requirements for parents or guardians as well as the minors who violate curfew laws will reflect the seriousness of the violation and assist in resolving family problems.

The Public Defender opposed the bill on the grounds that the current laws are adequate and that imposing a fine against a minor is unwarranted.

Your Committee amended the bill by deleting the reference to a fine, and placing the provisions within the respective curfew statutes for minors and adults.

Your Committee finds that the bill, as amended, will give the family court authority to investigate and impose an additional penalty for those violators who need to be reminded of the seriousness of the violation or to provide additional services to those who may need them.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1090, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1090, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Reed.

SCRep. 1077 Judiciary on H.B. No. 1930

The purpose of this bill is to authorize a durable power of attorney for health care decisions. The bill also provides that:

- (1) The surrogate decision-maker or attorney-in-fact shall not authorize sterilization, abortion, psychosurgery, or the withdrawal or withholding of life-sustaining treatment for a temporary condition unless specifically authorized in the document creating the power of attorney;
- (2) The durable power of attorney shall only become effective upon the incapacity of the principal as determined by a licensed physician;
- (3) A physician who is the principal's treating physician at the time of the physician's disability or incapacity may not serve as a surrogate decision-maker or attorney-in-fact for health care decisions; and
- (4) A durable power of attorney for health care decisions executed in compliance with current law and prior to the effective date of this bill, if enacted, remains valid.

Your Committee amended the bill by clarifying the language pertaining to the treating physician's ability to also act as a surrogate decision-maker. The language has been amended to provide that no person shall serve as both the treating physician and the surrogate decision-maker for matters relating to health care decisions. Your Committee finds that this amendment will insure that the principal is not precluded from choosing a treating physician if the declarant so wishes, so long as the physician surrenders care of the principal to avoid the appearance of impropriety.

Your Committee has also amended this bill by removing the provision authorizing sterilization, abortion, psychosurgery, or withdrawal or withholding of life-sustaining treatment to be specifically included in a durable power of attorney.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1930, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1930, S.D. 2.

Signed by all members of the Committee except Senator Reed.

SCRep. 1078 Judiciary on H.B. No. 2004

The purpose of this bill is to amend the pension money exemption to Hawaii's law on attachment and execution, by eliminating a specific reference to the Employee Retirement Income Security Act (ERISA), in order to insure that the State exemption of the retirement benefits of debtors is not preempted by ERISA.

Under the state exemption, it appears that all retirement benefits are exempt from attachment, execution or inclusion in a bankrupt's estate. However, cases in other jurisdictions have held that if a reference to ERISA is made in state law, then the federal law on exemptions supersedes the state law. Federal law on exemptions is not as protective of pension benefits as is our State law. By specifically deleting the crucial reference to ERISA, the bill insures continued protection of the retirement benefits of Hawaii's debtors.

Your Committee made technical amendments to the bill and amended the effective date to force the bill into a conference committee for further discussion of technical considerations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2004, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Crozier.

SCRep. 1079 Health and Human Services on H.B. No. 22

The purpose of this bill is to mandate that the Department of Human Services promptly expunge records of child abuse or neglect cases where the reports are unsubstantiated or a petition has been dismissed. The bill also mandates that the Department adopt rules necessary to carry out the provisions of the section.

Your Committee received testimony requesting that these records not be expunged because of their usefulness in establishing a pattern of abuse in some cases.

Your Committee finds that protection must be provided for persons wrongfully accused of child abuse but does not want to jeopardize cases where abuse has occurred. Therefore, your Committee has amended the bill by deleting its provisions and requiring the Department to expunge reports of frivolous or unsubstantiated cases immediately.

Your Committee has also provided that the Department shall keep a record of all persons who file frivolous and unsubstantiated reports.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 22, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 22, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1080 (Majority) Housing and Hawaiian Programs on H.B. No. 1053

The purpose of this bill is to exempt the Housing Finance and Development Corporation (HFDC) from liability for pre-existing or future conditions of land condemned for the purpose of residential lease to fee simple conversion. The bill also contains provisions to correct abuses relating to the qualification of lessees and compensation of landowners and to amend Chapter 516, Hawaii Revised Statutes, to provide for a more equitable residential lease to fee conversion process.

Your Committee received testimony from the Housing Finance and Development Corporation, the Bishop Estate, the Hawaii Leaseholders Equity Coalition, The Hawaii Green Party, The Affordable Housing Alliance, various law firms and numerous interested individuals.

Your Committee finds that the HFDC's role, essentially, is to facilitate the conversion of leased land to fee simple land. Therefore, the HFDC should not be responsible or liable for any pre-existing and future conditions of the residential property converted.

Your Committee has amended the bill by deleting all its provisions except those relating to liability of HFDC in instances of residential property conversion.

Your Committee on Housing and Hawaiian Programs is in accord with the intent and purpose of H.B. No. 1053, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1053, H.D. 1, S.D. 2.

Signed by all members of the Committee.
Senator Reed did not concur.

SCRep. 1081 Agriculture and Environmental Protection on H.B. No. 792

The purpose of this bill is to amend the Hawaii Seed Law to modify and strengthen seed labeling provisions; to clarify and streamline the processes of seed sampling, seed testing, and issuing reports for regulatory purposes; and to set new requirements for seed licenses.

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

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 792, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 792, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1082 Agriculture and Environmental Protection on H.B. No. 925

The purpose of this bill is to amend Chapter 342N, Hawaii Revised Statutes, by adding and clarifying provisions to ensure the proper management and disposal of used oil.

Specifically, the bill proposes to:

- (1) Increase the fines imposed for wilful or negligent violations of law relating to used oil or any condition of a permit by providing for a fine of up to \$10,000 for each day of each violation or imprisonment for up to one year, or both for a first offense, and a fine of up to \$20,000 for each day of each violation or imprisonment for up to two years, or both, for any subsequent offense;
- (2) Prohibit oil from being discharged or caused or allowed to enter into sewers, drainage systems, surface or ground waters, watercourses, marine waters, or onto the ground;
- (3) Require a field screening test for total halogen concentrations before used oil can be transported;
- (4) Require used oil tested at halogen concentration levels greater than 1000 parts per million to be considered a hazardous waste that must be disposed as such in accordance with current federal hazardous waste regulations; and
- (5) Require persons who accept used oil from a used oil transporter to maintain records of the field screening test for three years.

Recent incidents on Oahu involving the contamination of the environment by the improper handling and disposal of used oil demonstrate the need to ensure that the used oil law fully provides for the protection of public health and the environment. The enactment of this measure will provide assurances that the recycling of used oil is properly managed from the point of generation, through the transporting chain, and ultimately, to the point of final disposition for burning.

Your Committee believes that the specific provisions and details outlined in this measure regarding prohibitions and field screening tests would be more appropriately addressed at the administrative rulemaking level. Therefore, your Committee has removed these provisions to give the Department of Health more flexibility in developing rules relating to used oil.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 925, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 925, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1083 Agriculture and Environmental Protection on H.B. No. 928

The purpose of this bill is to amend Chapter 342I, Hawaii Revised Statutes, to prevent the improper disposal of lead acid battery electrolyte fluid and to ensure the proper management and disposal of used lead acid batteries.

This bill is intended to address recent environmental problems associated with the handling, recycling, and final disposition of lead acid batteries. Testimony by the Department of Health indicated that the current language in Chapter 342I, HRS, has been found to be inadequate and unenforceable in many cases.

Your Committee has amended this bill by:

- (1) Requiring facilities that accept lead acid batteries to maintain records for three years if they accept five or more batteries at one time, and further requiring them to maintain records of the date of receipt of each lead acid battery;
- (2) Providing for a fine of not more than \$10,000 for each day of violation; and
- (3) Correcting an erroneous statutory citation on page 4, line 18.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 928, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 928, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1084 Agriculture and Environmental Protection on H.B. No. 949

The purpose of this bill is to broaden the State's authority to enforce Hawaii's fishing laws by authorizing any enforcement officer of the Department of Land and Natural Resources (DLNR) or other enforcement officer of the State to

examine and inspect the contents of: (1) any fishing bag used to carry aquatic life; or (2) any vehicle or other conveyance used to transport the aquatic life.

Your Committee heard testimony from the DLNR concerning a recent case in the Honolulu District Court involving the taking of aquatic life that was dismissed on the grounds that an enforcement officer of the DLNR does not have the authority to examine a fisherman's bag.

Your Committee is in accord with strengthening measures that will further the protection and conservation of our aquatic resources by permitting the search of a fisherman's bag or container and any vehicle or other conveyance by an authorized person.

Written testimony was also received from the American Civil Liberties Union concerning an adequate definition for "probable cause" and your Committee concurs with their recommendation. Therefore, the bill has been amended accordingly to ensure that the basic right of individuals to freedom from unfounded search is protected.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 949, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 949, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1085 Agriculture and Environmental Protection on H.B. No. 972

The purpose of this bill is to prohibit longline fishing within two hundred miles of the shoreline or any prohibited area established by the federal government, whichever is greater.

Your Committee finds that the amount of longline fishing has increased in island waters and has resulted in confrontations between longline fishermen and troller boat fishermen. Problems are caused when longline gear becomes tangled in propeller blades of troller boats and when troller boat propellers cut longline fishing lines. A voluntary agreement negotiated during the summer of 1989 requesting that all longliners fish further than twenty miles from shore has become ineffective due to the increased longline fleet size and the resultant competition for fishing space. There are also reports that longliners use fish aggregating devices (FADs) to improve their catch.

Your Committee therefore finds the best solution of gear competition is the prohibition of longline fishing in coastal waters. This will also limit the use of FADs by longliners. However, your Committee has amended this bill to prohibit only those longliners who use two mainlines each over fifteen miles in length in order to address the most pressing problems between the longliners and trollers.

Your Committee has also amended the bill by changing the longline boundary from two hundred miles of the shoreline to the boundaries of the State's Territorial Sea and the State's marine waters, as defined in Section 189-1.5. Your Committee finds that enforcement of the two hundred mile boundary may not be feasible at this time and the amended boundaries will address the most urgent problems.

Finally, your Committee has deleted subsection (c) of the new section as it would appear to be redundant since subsection (b) prohibits possession of marine life.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 972, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 972, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1086 Consumer Protection and Business Regulation on H.B. No. 256

The purpose of this bill is to authorize the Department of Health to certify mental health outpatient facilities rather than relying on certification by the Joint Commission on Accreditation of Health Care Organizations (JCAHO) or the Commission on Accreditation of Rehabilitation Facilities (CARF) for health insurance reimbursement purposes.

Your Committee finds that this bill will provide a measure of flexibility in the accreditation of mental health outpatient facilities, without lowering standards of care or providing a less rigorous process of quality assurance and review than is currently required.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 256, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1087 Consumer Protection and Business Regulation on H.B. No. 669

The purpose of this bill extend the regulation of dispensing opticians under the sunset law until December 31, 2001.

In addition, this bill:

- (1) Places a five year sunset provision on the practical examination currently administered by the Board of Dispensing Opticians, and allows for the examination to be replaced by a nationally standardized practical exam after January 1, 1996; and

- (2) Repeals the requirement that separate applications for a certificate to engage in the dispensing optician business be submitted for each place of business.

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

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 669, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 669, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1088 Consumer Protection and Business Regulation on H.B. No. 824

The purpose of this bill is to allow candidates for the nursing license examination who provide proof that they have completed the educational curriculum required for graduation for a nursing degree to obtain temporary non-renewable nursing permits.

This bill will help address the critical shortage of nurses faced by the State of Hawaii and the nation without compromising quality of care.

Your Committee has amended this bill by specifically requiring applicants for temporary nursing permits to fulfill their educational requirements before taking the licensing examination, and by correcting a drafting error.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 824, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 824, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1089 Consumer Protection and Business Regulation on H.B. No. 831

The purpose of this bill is to amend the law relating to the Medical Claims Conciliation Panel (MCCP).

The proposed amendments address various situations that have occurred during the MCCP process, and attempt to streamline the current system. Specifically, this bill:

- (1) Allows the Director of the Department of Commerce and Consumer Affairs to appoint chairpersons of MCCPs from a list of eligible persons approved by the Chief Justice of the Hawaii Supreme Court;
- (2) Requires the physician or surgeon member of the MCCP to hold a current license and be in good standing under the laws regulating the practice of medicine and surgery, and osteopathy;
- (3) Gives the Director of the Department of Commerce and Consumer Affairs the discretion to provide partial compensation to MCCP members and consultants called by the MCCP if the claim is disposed of prior to the MCCP hearing; and
- (4) Allows the chairpersons of MCCPs to designate alternate meeting places or hearing sites.

Your Committee heard supporting testimony from the Department of Commerce and Consumer Affairs.

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

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 831, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1090 Consumer Protection and Business Regulation on H.B. No. 1567

The purpose of this bill is to allow insurance companies to cancel temporary motorcycle or motor scooter insurance binders if the insured fails to take, complete, or pass an approved motorcycle education course.

The current law was enacted to resolve a double bind which on one hand prevented motorcyclists from obtaining insurance without a learner's permit and on the other prevented them from obtaining a learner's permit without insurance. The temporary ninety day binder was intended to allow a motorcycle or motor scooter owner who has a valid learner's permit to be insured while attempting to enroll or actually enrolling in an approved motorcycle education course, generally offered by the community colleges.

Testimony presented to your Committee indicates that enrolling in a motorcycle education course at a community college is easy. The only requirements are completing the enrollment application, signing a statement regarding the withdrawal policy, and paying the course fee. However, since a motorcyclist can satisfy the current law by merely submitting proof to the insurer of an attempt to enroll in the course, some individuals demand that the community colleges

send letters to insurers with any number of excuses why they could not enroll such as not enough money in the checking account, lack of tuition, lack of transportation, and even lack of a stamp with which to mail the application!

In view of the accessibility of the motorcycle education course, your Committee cannot envision any circumstance in which a person who genuinely wishes to obtain motorcycle or motor scooter insurance cannot find an opening in a motorcycle education course, enroll, take the course, and pass it, within the ninety day binder period allowed by law. Therefore, it is appropriate to allow insurance companies to cancel the temporary binders if the insured fails to take, complete, or pass the course.

Your Committee has amended this bill by clarifying that the obligation of the insured operating a motorcycle or motor scooter under a temporary insurance binder is not only to enroll in and take the education course, but to pass it.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 1567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1567, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1091 Consumer Protection and Business Regulation on H.B. No. 1993

The purpose of this bill is to amend Section 431:3-301, Hawaii Revised Statutes, to require authorized insurance companies to file annually with the Insurance Division, an independent audit of the company's financial condition by an independent certified public accountant or accounting firm.

Currently, domestic insurance companies are examined by the Insurance Division every three years. This bill will ensure that a company's financial condition is reviewed by an outside party in the intervening years, and will give the Insurance Division an ongoing and accurate picture of an insurance company's financial condition.

The audit requirement proposed in this bill is necessary for the Insurance Division to receive accreditation from the National Association of Insurance Commissioners (NAIC). The purpose of the NAIC accreditation scheme is to create national standards for the financial surveillance and regulation of insurers operating in the United States.

Your Committee has amended this bill by deleting its provisions and inserting new provisions for audit requirements which would:

- (1) Require the filing of an independent annual audit by domestic insurance companies on or before June 1;
- (2) Require the insurer to notify the Insurance Commissioner in writing of the name and address of the person or firm retained to conduct the audit and allows the Insurance Commissioner to disapprove the insurer's designation;
- (3) Allow insurers to file audited consolidated or combined financial statements if they belong to a group of insurance companies that have a pooling agreement or a one hundred percent reinsurance agreement; and
- (4) Authorizes the Insurance Commissioner to suspend or revoke an insurer's certificate of authority if the insurer fails to file the annual audit.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 1993, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1993, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1092 Consumer Protection and Business Regulation on H.B. No. 1995

The purpose of this bill is to amend the laws relating to the qualifications of applicants for licensing by the Board of Examiners in Naturopathy by providing that applicants must be graduates of a regional or national professional accrediting body recognized by the United States Department of Education.

This measure proposes to delete the requirement that an applicant must be a graduate of an educational institution accredited by a regional accrediting association of secondary schools or colleges, or a national professional accrediting body approved by the Board or by the Council of Naturopathic Medical Education (CNME).

Your Committee believes that the current law is burdensome and unnecessarily stringent, and may prevent qualified graduates of schools not accredited by the CNME from qualifying for licensure. Your Committee finds that this bill will give the Board of Examiners in Naturopathy needed flexibility to carry out their regulatory duties in a responsible manner, while ensuring the high standards of the profession.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 1995 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1093 Consumer Protection and Business Regulation on H.B. No. 1998

The purpose of this bill is to protect information given to insurance examiners during the course of an examination of an insurance company that may not be appropriate for public disclosure, for as long as the Insurance Commissioner deems prudent.

Presently, the insurance examiners' working papers are not protected from disclosure laws, and are open to public inspection. Some of the papers presented to the examiners would normally be confidential under Section 92F-13(3), Hawaii Revised Statutes, the Uniform Information Practices Act (Modified), but the Insurance Code provides that all records of the Insurance Division are public.

Your Committee finds that certain business documents provided to the Insurance Division during an examination contain detailed commercial information that could result in substantial competitive harm if disclosed. This bill seeks to prevent such disclosure and to protect the privacy of such businesses.

Your Committee has amended this bill by including records and reports exempt from disclosure by federal or State laws from being disclosed to the public until deemed prudent by the Commissioner. Your Committee notes that the state laws referred to in this amendment include only Hawaii laws, and does not include exemptions from disclosure by other state laws.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 1998, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1998, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1094 (Joint) Consumer Protection and Business Regulation and Housing and Hawaiian Programs on H.B. No. 1985

The purpose of this bill is to amend the laws relating to residential lease disclosure requirements.

Specifically, this bill:

- (1) Exempts the transfer of any lease to a co-owner, spouse, parent or child of the seller, or to any stranger by devise, descent, court order, or by operation of law, including any transfer by foreclosure, bankruptcy, or partition of sale, from disclosure requirements;
- (2) Extends the time period for the buyer to review, accept, or reject the terms of the lease from five to ten days;
- (3) Requires the signed receipt or contract (which acknowledges receipt of the lease documents) to include: (a) a standardized glossary of terms provided in a Hawaii governmental publication, (b) a statement that the buyer has read and understands the provisions of the standardized summary of the lease provisions, and (c) a suggestion that the prospective buyer consult with an attorney regarding the lease documents;
- (4) Providing for waiver of disclosure requirements by a buyer other than natural persons, such as corporations, partnerships, and limited partnerships;
- (5) Provides civil penalties for violation of disclosure requirements; and
- (6) Requires lessors to produce all unrecorded lease documents where the buyer will assume legal obligations under these lease documents.

Your Committees find that Act 168, Session Laws of Hawaii 1989, requires the seller to provide the purchaser with a copy of lease documents, a summary of the lease, and other information fully disclosing the terms of the lease in plain language, for any sale of residential leasehold property.

However, testimony received from the Hawaii Council of Associations of Apartment Owners and the Small Landowners Association during a public hearing on S.B. No. 1469 indicated that the requirement for a "standardized summary of major provisions of the lease in plain language," as prescribed by Act 168, has required sellers to provide lengthy and costly summaries prepared by attorneys.

Therefore, in order to balance the concerns of sellers and the need to protect potential buyers, your Committees have amended this bill by deleting its substantive provisions and inserting the provisions of S.B. No. 1469, S.D. 1, to provide for a simple and standardized disclosure of leasehold information to a prospective purchaser of leasehold property.

Your Committees on Consumer Protection and Business Regulation and Housing and Hawaiian Programs are in accord with the intent and purpose of H.B. No. 1985, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1985, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1095 Judiciary on H.B. No. 515

The purpose of this bill is to expand the Medical Treatment Decisions law to:

- (1) Permit a person to instruct in their living will that food and liquids be withdrawn under certain circumstances and to provide specific instructions within the document how to indicate this choice;

- (2) Provide for the appointment of a proxy decisionmaker to make medical decisions when the declarant is unable to;
- (3) Amend the requirements necessary for a living will to take effect. Specifically, a living will would take effect when a person:
 - (a) Develops a terminal condition;
 - (b) Suffers a permanent loss of consciousness; or
 - (c) Suffers a permanent loss of the ability to interact with others and has no reasonable chance of regaining this ability; and
- (4) Remove the requirement of notarization of the declaration.

Your Committee agrees that the withdrawal of food and liquids should be an option for inclusion in a living will. However, your Committee finds that other provisions need to be amended.

Your Committee has amended the bill as follows:

- (1) Deleted the provision for a proxy decisionmaker. Your Committee supports such a mechanism but feels that it is a distinct issue and therefore, would be better addressed in separate legislation;
- (2) Combined the new definitions of "permanent loss of consciousness" and "permanent loss of the ability to interact with others" into one definition of "permanent loss of the ability to communicate concerning medical treatment decisions" which means a state in which a person is diagnosed by a physician as:
 - (a) Being in a persistent vegetative state with no reasonable expectation of regaining consciousness;
 - (b) Being in a deep coma with no reasonable expectation of regaining consciousness; or
 - (c) Having a permanent loss of the capacity to participate in medical treatment decisions, secondary to severe neurological or brain damage, with no reasonable expectation of regaining this capacity; and
- (3) Clarified the revocation provisions in part by removing the requirement that the declarant be competent. The declarant's intent to revoke is the major concern in this circumstance. Competency is of less concern since if the declarant is incompetent and mistakenly revokes a living will, the error is on the side of providing life-sustaining procedures. Further more, any competency standard used would need to use a high standard of proof of incompetency and would therefore apply to few people with living wills.
- (4) Insured that the declaration becomes part of patient's chart; and
- (5) Made nonsubstantive changes for purposes of style and clarity and to clarify certain provisions and remove redundant provisions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 515, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 515, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1096 Judiciary on H.B. No. 1019

The purpose of this bill is: 1) To provide an extension of time from July 1, 1991 to September 30, 1992 for all State and county government agencies to complete the public records report required by section 92F-18(b), Hawaii Revised Statutes; 2) To clarify what constitutes a "formal charge" against an agency employee under the Uniform Information Practices Act (Modified), when such charges should be disclosed, and what information should be disclosed to the public; and 3) To substitute the word "person" for the term "individual" currently set forth at section 92F-12(b)(2), Hawaii Revised Statutes, such that agencies shall disclose government records to any person pursuant to a State or federal law which authorizes such person to have access.

The Office of Information Practices (OIP) was created in 1989 to implement the Uniform Information Practices Act (Modified), which requires all government agencies to prepare a report describing each set of records that they routinely use or maintain, utilizing forms prescribed by the OIP. However the need for an automated Records Report System, which the OIP must develop to properly receive and store this information will not be on-line until July, 1991. Subsequent agency training on the use of the System will further unavoidably delay implementation of the System until the end of the year.

Your Committee finds that in light of the unavoidable delays encountered by the OIP in implementing a statewide automated Records Report System requires that the Legislature provide for a reasonable extension of time for agency completion of the public records reports as required by law.

The second purpose of this bill is to clarify what constitutes a "formal charge" against an agency employee that must be made available for public inspection and duplication, the proper stage in the processing of such charges when the disclosure must occur, and the types of information that must be disclosed to the public. Your Committee finds that the issuance of the two OIP opinion letters, an Attorney General's opinion, and subsequent litigation, demonstrate the need for greater clarity in the Act's provisions relating to the disclosure of misconduct by public employees.

Under the amendments made by this bill, a definition of the term "formal charge" is added to section 92F-3, Hawaii Revised Statutes. Under this definition, a formal charge constitutes a written complaint by any person alleging employment related misconduct by an agency employee, which is filed in accordance with a written agency disciplinary procedure that affords minimum due process. By providing that only those complaints that are in writing, and filed under a formal disciplinary policy constitute "formal charges," it is believed that only serious misconduct, rather than frivolous, "whispering," or oral complaints, will fall within the definition proposed by this bill.

However, where an agency lacks a written or formalized disciplinary procedure, or where no written complaint initiates disciplinary action by an agency, serious misconduct allegations may nevertheless be subject to disclosure under the public interest balancing test set forth at sections 92F-13 and 92F-14(a), Hawaii Revised Statutes, even though the agency lacks a formal charge procedure, or where the charge is not a "formal" one.

Your Committee urges all government agencies as a matter of sound administrative practice to adopt written disciplinary policies and procedures for processing formal charges. Agencies should not attempt to avoid the mandate the Uniform Information Practices Act (Modified) by failing to reduce such policies and procedures to writing.

It is the intent of your Committee that following the filing of a "formal charge" with an agency, the agency must, upon request of any person, disclose at least the following non-individually identifiable information concerning the charge: the fact that a formal charge has been filed, the substance of the charge, and the status of the complaint as pending (for example "under investigation"). Thus, until an initial determination regarding the merits of a formal charge against an agency employee, the identity of the charged employee and the charging party may be withheld by the agency.

Under the amendments proposed by your Committee to section 92F-14(b)(4), Hawaii Revised Statutes, following an agency's preliminary, recommended, or actual determination of a formal charge, the agency must then disclose the following information: The name of the agency employee against whom the charge was lodged; the agency's preliminary, recommended, or actual disposition of the charge (i.e., "insufficient evidence," "sustained," "dismissed"); the employee's response to the formal charge; the agency's findings of fact and conclusions of law, if any; and the disciplinary action recommended by the agency and any disciplinary action subsequently imposed by the agency. Underlying investigatory records will be subject to the balancing test set forth in 92F-14(a), after the identity of the charged employee is disclosed.

Your Committee finds that the amendments proposed by this bill most appropriately balance an agency employee's constitutional right to privacy against the public interest in disclosure of information concerning misconduct by public employees. Specifically, your Committee believes that after a preliminary, recommended, or actual determination regarding a formal charge against an agency employee, there is a compelling state interest in the disclosure of the identity of the employee, information concerning the charge, and the agency's preliminary, recommended, or actual disposition of the charge, including whether the charge was dismissed or sustained. Requiring the public availability of the information set forth by your Committee's amendments will further the core purpose of the Uniform Information Practices Act (Modified) of conducting government business as openly as possible and promoting the accountability of agencies and agency employees while at the same time safeguarding the individual's constitutional right to privacy under Article I, Sections 6 and 7 of the Constitution of the State of Hawaii.

Finally, your Committee has substituted the word "person" for the term "individual" set forth at section 92F-12(b)(2), Hawaii Revised Statutes. The purpose of this amendment is to assure that where a federal law or State statute authorizes the disclosure of government records or information, any "person" including corporations, associations, or government agencies may have access to such information, not merely natural persons. This amendment is necessary to avoid an absurd construction of section 92F-12(b)(2), Hawaii Revised Statutes, in light of the definition of "individual" set forth at section 92F-3, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1019, S.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1019, S.D. 2.

Signed by all members of the Committee.

SCRep. 1097 Judiciary on H.B. No. 1891

The purpose of this bill is to amend Section 584-6 of Hawaii's Uniform Parentage Act pertaining to procedures for commencing paternity actions, such as who may file paternity actions and the time within which certain paternity actions must be filed. More specifically, the bill:

- (1) Clarifies that a child's guardian ad litem, not the child's personal representative, may file an action for paternity;
- (2) Deletes language specifying the categories of natural mothers who may bring action;
- (3) Provides that, if the natural father is deceased, a paternity action may be filed by the father's parent as well as the personal representative of the father's estate. This is in conformance with the provision pertaining to cases in which the mother is deceased;
- (4) Provides that a presumed father or his personal representative or parent may file a paternity action;
- (5) Deletes the language limiting the Child Support Enforcement Agency's authority to file paternity actions only in public assistance cases, because this is inconsistent with the Agency's actual authority;
- (6) Amends references to the time limitations for paternity actions in cases where the child is subject to adoption proceedings to conform to the language in Section 584-7, Hawaii Revised Statutes, pertaining to time limitations in paternity actions in general; and

(7) Includes a provision authorizing the court to waive notice to the husband, in a paternity action, upon a showing by affidavit from the wife stating that she has not had sexual contact with her husband at least 300 days prior to her child's birth and that, after due diligence, she is still unable to locate her husband.

In support of the bill, the Honolulu and Hawaii Offices of the Corporation Counsel testified that the bill will clarify and strengthen the purpose of the Uniform Parentage Act, which provides an avenue for relatives and government agencies to legitimate children born out of wedlock.

The Judiciary expressed concern regarding the notice waiver provision. Current law presumes that the mother's husband is the father of her child and therefore requires that he be given notice or made a party in a paternity action involving the child. The Judiciary was concerned that the provision will not include safeguards to adequately protect the husband from ex parte allegations made by his wife.

Your Committee made the following amendments to the bill:

- (1) To address the Judiciary's concern, included within the notice waiver provision an additional requirement that the mother, by affidavit, provide clear and convincing evidence to rebut the presumption that her husband is the father of her child;
- (2) Incorporated section 584-7, Hawaii Revised Statutes, pertaining to the time within which paternity actions must be filed, into section 584-6 with conforming amendments, and repealed section 584-7;
- (3) Made technical amendments for the purposes of clarity, conformity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1891, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1891, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1098 Agriculture and Environmental Protection on H.B. No. 936

The purpose of this bill is to require State and county agencies receiving grants or loans from the State Water Pollution Revolving Fund to mandate the installation of approved low flow water fixtures in all new residential and public buildings beginning July 1, 1993.

Your Committee has amended the bill on recommendation of the Attorney General by adding a clarifying clause to resolve any complications that may result if all bills concerning this matter are enacted into law. The provisions of HB 955 and then HB 936 shall amend any other conflicting bill enacted by the Regular Session of 1991.

Your Committee also made several technical, nonsubstantive amendments for clarity and style.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 936, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 936, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1099 Agriculture and Environmental Protection on H.B. No. 971

The purpose of this bill is to amend Chapter 187A, Hawaii Revised Statutes, by:

- (1) Broadening the application of Chapter 187A by establishing a clearer definition of the term "fishing";
- (2) Granting the Department of Land and Natural Resources (DLNR) jurisdiction over residents, permittees, or licensees that fish beyond the State marine waters; and
- (3) Authorizing DLNR to issue permits to allow a person to fish for aquatic life or use certain prohibited fishing gear for scientific, educational, or propagation purposes.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committee has amended this bill by adding the term "to fish" to the term "fishing" in the definition in SECTION 1 of the bill. The term "to fish" is used in an amendment in SECTION 3 of the bill. Your Committee redrafted SECTION 2 of the bill to set out a new section under Chapter 187A to set out the applicability of the statutes and rules. This was done for clarity because the intention of the new material is to apply to the whole subtitle and not just to Chapter 187A.

Your Committee has also amended the bill with several nonsubstantive technical amendments for the purposes of clarity and style.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 971, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 971, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1100 Planning, Land and Water Use Management on H.B. No. 505

The purpose of this bill is to increase the cost threshold for distinguishing between Special Management Area minor and use permits from \$65,000 to \$125,000.

Valuation of Special Management Area minor and use permits has not changed since 1982, at which time projects which were valued under \$65,000 and produced no substantial adverse effects were processed as minor permits. However, in the last decade development and construction costs have dramatically increased and many projects which formerly would have been minor now exceed the threshold for that category.

Your Committee finds that the primary criterion for distinguishing between the two different kinds of Special Management Area permits is the environmental and ecological implications of the project. Increasing the cost threshold of environmentally or ecologically benign projects, therefore, will appropriately reflect current economic conditions and have the added benefit of allowing the counties to process such permits more efficiently.

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

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 505, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 505, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1101 Planning, Land and Water Use Management on H.B. No. 893

The purpose of this bill is to strengthen Coastal Zone Management (CZM) to ensure that coastal resources are protected.

Specifically, the bill expands the CZM Area to include the entire land mass of the State, including forest reserves, and prioritizes public recreation uses over private or commercial uses. It also includes provisions relating to nonpoint source pollution and oil spills, new objectives and policies for public participation in coast management and beach protection, and requires that all single-family homes proposed for construction in Special Management Areas be reviewed by the counties for compliance with CZM objectives and policies.

Also included in the broad scope of this measure are provisions requiring the Office of State Planning to monitor activities of public agencies and enforce compliance with CZM objectives and policies; establishing Shoreline Stabilization Districts to address problems relating to coastal erosion; and expanding the shoreline setback to forty feet in urban districts and one hundred fifty feet in non-urban districts.

Your Committee finds that effective management of Hawaii's coastal areas is essential to the economic, social, and aesthetic well-being of the State; however, this bill attempts to achieve these objectives through extensive regulation which may not produce the intended effects and benefits. Therefore, your Committee has deleted all substantive material except the authorization to establish Coastal Stabilization Districts. Your Committee has also provided that "development", as defined in Section 205A-22, Hawaii Revised Statutes, includes detrimental change in the use of land and water.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 893, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 893, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1102 Planning, Land and Water Use Management on H.B. No. 894

The purpose of this bill is to clarify and strengthen statewide planning processes.

The bill emphasizes the role of strategy in planning, provides increased opportunities for public input, and acknowledges and reinforces the innate interdependency that characterizes the relationship between functional planning and budgeting. The bill also abolishes the State Plan Policy Council whose functions are now being appropriately carried out by advisory committees and specialized task forces.

In addition, the bill transfers responsibility for preparing Functional Plan guidelines from the Office of State Planning to the Department of Budget and Finance in order to ensure that budget preparation effectuates planning goals, objectives, policies, and priorities.

Your Committee finds that this bill will make state planning more dynamic and responsive to the long and short-range needs of the people of Hawaii. Addition of strategic planning will ensure early identification and analysis of and response to emerging and critical statewide issues, while increased flexibility and opportunity for public input will ensure thorough consideration of any proposed change in the State Plan. And finally, this bill will promote interagency coordination and county participation in planning processes through creation of appropriate task forces, and ad hoc and advisory committees that will relate to specific planning projects within their specialized areas of interest and expertise.

Your Committee has amended this bill by making several technical changes which have no substantive effect.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 894, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 894, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1103 Planning, Land and Water Use Management on H.B. No. 979

The purpose of this bill is to extend the Kahana Valley State Park long term residential lease negotiation deadline from January 1, 1992 to January 1, 1995.

Act 5, Session Laws of Hawaii 1987, authorized the Department of Land and Natural Resources to create a subdivision in Kahana Valley State Park for long term residential leases. At present, a lease document is drafted but lease lots have not been established because of several time-consuming factors, not the least of which is the establishment of the "living park" required by Act 5 which will meet contemporary building requirements and satisfy the needs of both the residents and the park program.

Your Committee has amended this bill by extending the negotiation deadline to July 1, 1992.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1104 Planning, Land and Water Use Management on H.B. No. 2067

The purpose of this bill is to strengthen the ability of Hawaii's Soil and Water Conservation Districts to conserve and protect the State's farm and grazing lands and related water resources.

Currently, the Districts and their Directors independently develop and implement conservation agendas with informal governance from the Hawaii Association of Conservation Districts, a non-legal entity without permanent staffing.

This bill changes qualifications of directors of Soil and Water Conservation Districts and the manner in which they are elected to provide continuity and broad representation. It also empowers the sixteen Districts and their Directors to establish associations to administer and coordinate programs and activities.

Your Committee finds that this bill will substantially increase the capability of the individual districts to carry out their activities through stronger, more centralized bodies. In addition, this bill will give legal status to the Association and enhance its ability to develop strategies, administer programs, and hire staff necessary to carry out its leadership role.

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

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2067, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2067, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1105 Planning, Land and Water Use Management on H.B. No. 2107

The purpose of this bill is to require the Board of Land and Natural Resources to place all Conservation District lands on Mount Olomana, Oahu, into the Protective Subzone.

The Department would also be required to place all other lands in the area, including all streams, perennial streams and waterways on the Mountain, and all land within twenty feet of either side of the high water mark or fifty feet from the centerline of the streams and waterways, into the Conservation Protective Subzone to preserve the aesthetic character of the area. In addition, the Department would be required to prepare a plan for full restoration and landscaping of all land on Mount Olomana marred by inappropriate, illegal, or unauthorized development.

Your Committee is concerned about the use, condition, and aesthetic preservation of Mount Olomana and surrounding areas; after all, it is one of the loveliest natural formations on Oahu, if not in the entire State. However, this bill fails to describe the areas or boundaries of Mount Olomana, and would most assuredly require reclassification of privately held land, much of which is presently in residential use or under development. Furthermore, your Committee has grave doubts that reclassification of so much territory, which would include lands downslope from the Mountain, would accomplish the purposes contemplated by this measure.

Therefore, your Committee has amended this bill by deleting the plan to place adjoining land into the Conservation Protective Subzone and the plan to fully restore and landscape the land on Mount Olomana which has allegedly been marred by inappropriate, illegal, or unauthorized development. Your Committee believes that requiring the Board to place the Conservation District lands on Mount Olomana into the Protective Subzone will appropriately accomplish the public purpose inherent in this measure.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 2107, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2107, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1106 (Joint) Planning, Land and Water Use Management and Agriculture and Environmental Protection on H.B. No. 1952

The purpose of this bill is to provide that accessory agricultural services and uses such as mills, and storage, processing, and maintenance facilities may be conducted within Agricultural Land Use Districts whether or not the agricultural uses to which they are accessory are conducted on the same premises.

Your Committees find that complaints of urban residents residing near agricultural districts have persuaded counties to narrowly apply state land use provisions. Thus, under current interpretative practice, a coffee mill would be illegally situated unless it is situated on the same tax map key parcel as the coffee trees. Likewise, storing cattle trucks on agricultural land other than the cattle pasture would be prohibited. A farmer or rancher's only recourse is to obtain a special permit allowing unusual and reasonable uses within the agricultural district other than those for which the district is classified, a long and complicated process that your Committees believe is inappropriate and contrary to the public policy established in Chapter 205, Hawaii Revised Statutes.

This bill resolves the problem and clarifies the intent of the Legislature in enacting the accessory services and uses provisions of Chapter 205.

Your Committees have amended this bill by deleting the language which indicates that to be accessory, a service or use must support the agricultural activities of the fee or leasehold owner of the property.

Your Committees have also amended this bill by making nonsubstantive technical changes for the purposes of clarity and style.

Your Committees on Planning, Land and Water use Management and Agriculture and Environmental Protection are in accord with the intent and purpose of H.B. No. 1952, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1952, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1107 Judiciary on H.B. No. 1004

The purpose of this bill is to clarify and amend the procedures of the Hawaii Civil Rights Commission, particularly those related to contested case hearings and appeal procedures. More specifically, the bill:

- (1) Clarifies that the Commission has authority to process complaints filed by handicapped individuals regarding access to state and state-funded services;
- (2) Explicitly provides that depositions may be conducted as part of the investigation and hearing process and that parties may be required to attend hearings and to testify;
- (3) Authorizes the Commission to file an action in circuit court to enforce conciliation agreements and predetermination settlements and requires compliance reviews of predetermination settlements;
- (4) Provides that complainants may file complaints with the Commission's executive director without the necessity of verification;
- (5) Defines "unlawful discriminatory practice" to include like terms used in other chapters of the Hawaii Revised Statutes;
- (6) Extends the deadline by which the Commission must complete its investigation and attempt conciliation, from 60 to 180 days after the filing of the complaint, and allows the Commission to grant extensions;
- (7) Clarifies procedures for the determination of reasonable cause and the issuance of a final conciliation demand, and delegates these functions to the executive director;
- (8) Changes references from public hearings to contested case hearings, which are the method of resolving complaints under Chapter 91;
- (9) Clarifies procedures for contested cases; and
- (10) Eliminates the provisions for de novo review of the Commission's decisions by the circuit court.

Your Committee finds that the Commission is still in its infancy and has not developed a track record that justifies elimination of a de novo review of the Commission's decisions, which permits the courts to consider both evidence and legal conclusions without according deference to the Commission. Therefore, your Committee has amended the bill by deleting Section 7.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1004, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1004, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1108 (Joint) Judiciary and Transportation and Intergovernmental Relations on H.B. No. 1016

The purpose of this bill is to amend Act 188, Session Laws of Hawaii 1990, to address matters which were overlooked or have been reconsidered since the passage of the administrative license revocation law last session. This bill changes the existing law by:

- (1) Re-establishing probable cause as the burden of proof in cases where a person suspected of driving under the influence of intoxicating liquor refuses to submit to a chemical test for blood alcohol concentration;
- (2) Re-establishing a one-year revocation period for drivers who refuse to submit to a chemical test;
- (3) Making drivers who refuse a chemical test ineligible for conditional permits;
- (4) Requiring drivers whose licenses are administratively revoked to post proof of financial responsibility before obtaining a new license; and
- (5) Reducing the blood alcohol concentration threshold at which an ignition interlock system prevents operation of an automobile from .10 to .03.

Your committees have amended the bill by deleting most of the substantive amendments and including certain amendments proposed in H.B. No. 608, H.D. 2 which were intended to facilitate the implementation of the program as it was established in 1990. Your committees are not convinced that the program needs to be overhauled before it is even implemented, but are willing to consider the more substantive amendments proposed by the House of Representatives in the conference committee on this bill and on H.B. No. 608, H.D. 2.

Your Committees on Judiciary and Transportation and Intergovernmental Relations are in accord with the intent and purpose of H.B. No. 1016, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1016, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Senators Nakasato and Yamasaki.

SCRep. 1109 Consumer Protection and Business Regulation on H.B. No. 760

The purpose of this bill is to extend Act 214, Session Laws of Hawaii 1990, by deleting the Act's repeal date of June 30, 1991.

In addition, this bill seek to prohibit activity desks from using activity brochures that do not clearly display the name and telephone number of the activity provider, and to authorize activity associations to file suit for injunctive relief and be entitled to reasonable attorneys' fees.

Your Committee has amended this bill by:

- (1) Amending the title of the chapter to include "activity desks";
- (2) Revising the definition of "activity desk" to include any sole proprietorship, organization, trust, group, association, partnership, corporation, society, or combination of such, which arranges activities furnished by an activity provider for compensation;
- (3) Deleting the definitions of "activity association" and "violation" from the definition section of the bill;
- (4) Prohibiting activity desk from withdrawing any funds from a client trust account, other than a sales commission up to fifteen percent, or to make a refund to a consumer, until the activity provider has been paid;
- (5) Authorizing an activity providers association (defined as a bona fide trade association of activity providers) to file suit for injunctive and declarative relief, but does not include a right to damages;
- (6) Requiring a disclosure to the consumer whenever a discount offered for any activity is contingent on any requirement that the recipient of the discount first attend a sales presentation of any kind; and
- (7) Adding a two year drop dead clause to the bill to provide time for an assessment and evaluation of the licensing provisions of activity providers and activity desks, and to monitor the laws impact.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 760, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 760, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1110 Consumer Protection and Business Regulation on H.B. No. 823

The purpose of this bill is to amend Section 487-5(5), Hawaii Revised Statutes, to clarify the Office of Consumer Protection's authority to promulgate substantive and procedural rules.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs.

Currently, Section 487-5(5) authorizes the Office of Consumer Protection to promulgate certain rules. Although intended to provide the authority to promulgate substantive rules, the current language leaves that authority open to question.

Your Committee made non-substantive, technical changes to this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 823, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 823, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1111 Consumer Protection and Business Regulation on H.B. No. 826

The purpose of this bill is to strengthen and clarify the laws relating to real estate licenses.

This bill proposes to:

- (1) Provide an additional prerequisite of financial integrity for licensing;
- (2) Require fees for applications, registrations, and certificates for brokers and salespersons to be deposited into the real estate education fund;
- (3) Require a salesperson or broker to file an application with prescribed information for any change in licensing status;
- (4) Require a real estate broker's place of business to display associated real estate salespersons' licenses, require branch offices to be licensed, and require site offices to be registered with the Real Estate Commission;
- (5) Allow suspension or revocation of a broker's or salesperson's license for failure to maintain a reputation of honesty, truthfulness, financial integrity, and fair dealing; and
- (6) Require a condominium hotel operator to be either a sole proprietor, partnership, or corporation.

Your Committee has amended this bill by deleting the requirement that fees for applications, registrations, and certificates for brokers and salespersons be deposited into the real estate education fund.

Your Committee on Consumer Protection and Business Regulation is in accord with the intent and purpose of H.B. No. 826, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 826, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1112 Transportation and Intergovernmental Relations on H.B. No. 30

The purpose of this bill is to increase the permissible height of motor vehicles operating on public roadways from thirteen and one half feet to fourteen feet, including the height of any load being carried.

Your Committee received testimony in support of the bill from the Department of Transportation and the Hawaii Transportation Association.

Your Committee finds that many commercial heavy duty trucks have been operating for years in violation of the existing height restrictions without realizing it. At this point, compliance will require a massive turnover of equipment which would likely result in significant increases in shipping costs. On the other hand, existing clearances for structures over state and county roadways can safely accommodate the height increase proposed by this bill. On balance, your Committee finds that the public benefit to be derived from the bill far outweighs any conceivable detriment.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 30, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1113 Transportation and Intergovernmental Relations on H.B. No. 409

The purpose of this bill is to authorize certain classes of liquor licensees to provide entertainment on their premises, to allow hotels currently holding dispenser's licenses to expediently obtain hotel licenses, and to provide that certain changes in ownership of the holder of a cabaret license constitute transfer of the license.

Many of the substantive provisions of this bill are included within the subject matter of S.C.R. No. 83 and S.R. No. 66, which request the Departments of Liquor Control of the counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu Liquor Commission to work together to formulate proposed comprehensive legislation on liquor-related issues,

and that any future legislation dealing with alcohol-related law enforcement be formulated jointly and cooperatively by the four agencies. The Resolutions also provide for the establishment of a statewide liquor license and fee schedule as an additional issue for the county commissions to consider.

Therefore, your Committee has amended this bill by removing all of its content except for the provision allowing hotels currently holding dispenser's licenses to switch to hotel licenses without subjecting these license holders to the requirements of sections 281-52, 281-54, 281-57, 281-58, and 281-59 if they apply for a change of classification prior to July 30, 1992. Due to the enactment of Act 171 in 1990, many hotels currently hold the incorrect license classification. This bill allows these license holders to acquire the correct license classification without the need to apply for a new license.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 409, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 409, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1114 (Majority) Transportation and Intergovernmental Relations on H.B. No. 411

The purpose of this bill is to require trade shows or other exhibitions which intend to provide liquor for display and sampling, but not for sale, to apply to the Liquor Commission Administrator for issuance of a permit.

Your Committee has amended this bill by deleting its contents and inserting a new section to Part III of Chapter 281, Hawaii Revised Statutes, authorizing Liquor Commissions to deny or restrict the issuance of new liquor licenses for on-site sale and consumption by the drink to any applicant whose establishment is or would be located within six hundred feet of an existing school, church, hospital, or playground. Public and private beaches are not included within the concept of "playground."

Your Committee finds that drunk drivers leaving liquor- serving establishments present a substantial danger to innocent pedestrians using public facilities, and that it is appropriate public policy to discourage the locating of liquor establishments in the areas specified in this bill.

It is the intent of your Committee that this bill shall apply only to the issuance of new liquor licenses and not to any renewal of such licenses.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 411, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
Senator Cobb did not concur.

SCRep. 1115 Transportation and Intergovernmental Relations on H.B. No. 980

The purpose of this bill is to allow the use of studded snow tires on the Mauna Kea access road above Hale Pohaku and on other roads within the Mauna Kea Science Reserve.

Your Committee finds that this legislation is necessary to ensure safety on the sometimes icy roads above Hale Pohaku on Mauna Kea and other roads within the Mauna Kea Science Reserve.

Your Committee has made one technical amendment to the bill which has no substantive effect.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 980, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 980, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1116 Transportation and Intergovernmental Relations on H.B. No. 1344

The purpose of this bill is to facilitate disposal of abandoned vehicles by both the counties and private parties when registered or legal owners of these vehicles refuse to accept notice by certified mail.

Your Committee finds that, currently, registered or legal owners of abandoned vehicles can avoid paying towing charges by simply not signing a registered or certified mail receipt. This bill will allow for an abandoned vehicle notification to be deemed received by the registered or legal owner five days after mailing rather than requiring a registered or certified mail receipt signed by the owner.

Your Committee has amended this bill by deleting the amendments to Section 290-11, Hawaii Revised Statutes, thereby restricting the bill's application to vehicles towed by the counties.

Your Committee on Transportation and Intergovernmental Relations is in accord with the intent and purpose of H.B. No. 1344, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1344, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1117 Planning, Land and Water Use Management on H.B. No. 340

The purpose of this bill is to extend the deadline for negotiation of long-term residential leases between the department of land and natural resources (DLNR) and Hawaiians displaced by the 1926 Hoopuloa lava flow.

The expiration date authorized for the negotiations, which expired on January 1, 1991 should be extended to January 1, 1993. This will allow DLNR time to negotiate the remaining leases to those who are qualified.

Your Committee has amended the bill to reflect that the Act 68 referred to in the bill is Act 68 of the Session Laws of Hawaii 1989, rather than 1990.

Your Committee on Planning, Land and Water Use Management is in accord with the intent and purpose of H.B. No. 340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 340, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1118 Ways and Means on H.B. No. 919

The purpose of this bill is to:

- (1) Create a special fund for the Waikiki Aquarium into which shall be deposited all revenues derived from concessions and all fees and charges from public agencies and private persons collected in conjunction with the operation of the Waikiki Aquarium;
- (2) Allow all children under the age of twelve free admittance to the Waikiki Aquarium; and
- (3) To require that all funds from admission fees be deposited into the special fund.

Your Committee has amended this bill by deleting sections 4 and 5 which appropriate funds and designate the expending agency. Necessary funds will be appropriated through the budget. The subsequent sections were consequently renumbered and the effective date of the bill changed to upon approval.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 919, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 919, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1119 Ways and Means on H.B. No. 1288

The purpose of this bill is to appropriate \$50,000 toward the development of a culture and arts master plan for the State. This bill also requires that the plan consider the feasibility of establishing an office of cultural affairs.

Your Committee finds that Hawaii's multiethnic society inspires the creation and development of cultural art forms that can be found nowhere else in the world. Unfortunately, many of Hawaii's cultural institutions lack the ability to coordinate the overall development and promotion of the arts in Hawaii. Your Committee finds that a new collaborative relationship should be established to further promote Hawaii's culture and arts. This bill will facilitate the development of a master plan for the culture and arts in Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1288, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1120 Ways and Means on H.B. No. 547

The purpose of this bill is to establish a temporary executive committee within the office of the governor, to be known as the Filipino celebration executive committee, which will develop, plan, and coordinate all arrangements for the commemoration of the eighty-fifth anniversary of the arrival of the first Filipino immigrants in Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 547, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1121 Ways and Means on H.B. No. 24

The purpose of this bill is to enable qualified members of the Hawaii national guard and other military reserves stationed in Hawaii to receive a waiver of tuition fees for graduate studies pursued at the campuses of the University of Hawaii system.

Your Committee has amended this bill by replacing its entire contents with the contents of S.B. No. 631, S.D. 2, which provides funding for the office of technology transfer and economic development at the University of Hawaii. This amendment provides for:

- (1) The deposit of sixty-six per cent of the total amount of indirect overhead funds to be deposited into the university's research and training revolving fund;
- (2) Authorizing the board of regents to expend funds deposited in the research and training revolving fund for:
 - (A) Costs associated with the intellectual property and technology licensing program administered by the office of technology transfer and economic development; for which the university is authorized to transfer funds approved by the board to the discoveries and inventions revolving fund; and
 - (B) Costs involved in implementing, administering, and operating a housing assistance loan program; for which the university is required to deposit funds approved by the board into a separate account within the research and training revolving fund; and
- (3) Authorizing the deposit of funds approved by the board of regents into the discoveries and inventions revolving fund for the purposes of costs relating to the housing assistance loan program.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 24, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 24, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1122 Ways and Means on H.B. No. 1604

The purpose of this bill is to remove current approval requirements of section 309-1.5, Hawaii Revised Statutes, that hinder the ability of the student loan secondary market to respond to the needs of participating student loan lenders on a timely basis. The bill authorizes the governor to request establishment of a private not-for-profit corporation to be operated exclusively for the purpose of acquiring student loan notes held by local institutions under the federal Higher Education Act of 1965, as amended. This bill also allows the University of Hawaii board of regents to develop real property and construct university projects thereon alone or in partnership with qualified developers and contractors.

Your Committee has amended the bill to require the board of regents to obtain the approval of the legislature by concurrent resolution prior to developing any real property. Your Committee also has made several technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1604, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1604, S.D. 2.

Signed by all members of the Committee.

SCRep. 1123 Ways and Means on H.B. No. 1748

The purpose of this bill is to appropriate \$75,000 to the Department of Education to plan and conduct public forums for debating governance of public education in Hawaii, and to establish a task force to study the issue of governance.

Your Committee finds that if the goal and intent of the legislature is to make schools the focus of the department of education and the community, then the legislature is obligated to provide a means for schools to achieve this goal by giving them autonomy and flexibility to oversee their destiny. Presently, schools are influenced and managed by various governmental forces, including the department of education, the board of education, the legislature, the governor, and the departments of budget and finance and accounting and general services. In order for schools to take the lead in managing their affairs, it is imperative that they be empowered to identify their own problems, make necessary decisions, and be given the authority and flexibility to implement workable solutions, without the control of government.

Your Committee believes that in order for school/community-based management in Hawaii's schools to become a reality, an examination and evaluation of the relationships and scope of control of all governmental bodies and the public education system is needed. This assessment will provide the foundation for the restructuring of Hawaii's public education system, and educational system that is "second to none."

Your Committee has amended the bill to:

- (1) Change the date by which the governor is required to appoint the members of the task force from June 15, 1991 to September 1, 1991;
- (2) Require that at least one member of the task force be a resident of each of the counties; and
- (3) Make technical nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1748, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1748, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1124 Ways and Means on H.B. No. 1757

The purpose of this bill is to provide for the price of school meals to be set administratively by the superintendent of education to ensure that moneys received from the sale of meals total not more than twenty-three per cent of the total operating cost of the school lunch program.

Historically, school lunch prices have not been adjusted on a regular basis to meet the rising cost of food, labor, utilities, repair and maintenance, equipment, and other operational costs. This bill will allow the superintendent to set meal prices in order to generate enough funds to meet these rising costs.

Your Committee has amended this bill by:

- (1) Deleting the word "lunch" from section 1 and inserting the word "meals";
- (2) Deleting the word "administratively" from page 1, line 11; and
- (3) Deleting the phrase "total not more than twenty-three per cent of the total operating cost of the school lunch program," and inserting the phrase "not be less than twenty per cent or more than forty per cent of the average annual cost of the school food services program (EDN 305) for the three preceding fiscal years. The definition of "cost" shall not include donated food commodities."

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1757, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1757, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1125 Ways and Means on H.B. No. 333

The purpose of this bill is to authorize the director of finance to issue an unspecified sum of general obligation bonds, and to appropriate the same unspecified sum for fiscal year 1991-1992, for the department of agriculture to establish a state-funded agricultural park.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau Federation and the department of agriculture.

Your Committee has amended this bill by:

- (1) Amending section 1 to extend the authorization period for the appropriations made in this Act from fiscal year 1991-1992 to fiscal years 1991-1992 and 1992-1993;
- (2) Inserting a new section after section 1 to prevent the appropriations made for the capital improvement project authorized in this Act from lapsing at the end of the fiscal year for which the appropriation is made, provided that all appropriations which are unencumbered as of June 30, 1994, will lapse as of that date;
- (3) Renumbering consecutively the remaining sections; and
- (4) Making technical nonsubstantive changes for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 333, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 333, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1126 Ways and Means on H.B. No. 922

The purpose of this bill is to clarify that violations of environmental laws that extend over multiple days will be penalized as separate offenses for each day the violation remains unabated and that there are no caps on the penalties paid by polluters for a violation or multiple violations on any one day. The bill also requires that moneys collected as fines and penalties for violations of environmental laws be deposited into the environmental response revolving fund, provided that any amount in excess of \$3,000,000 be transferred to the general fund.

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 922, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 922, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1127 Ways and Means on H.B. No. 954

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

- (1) Require the department of health and each county to consider various solid waste management and processing methods, including source reduction, recycling and bioconversion, landfilling and incineration without energy recovery, and incineration with energy recovery, in the management of the State's solid waste; and
- (2) Appropriate the sum of \$175,000 for fiscal year 1991-1992, for the department of health to conduct a statewide household hazardous waste collection and disposal project.

Your Committee has amended this bill by:

- (1) Amending section 1 to clarify that one of the purposes of this Act is to establish comprehensive integrated solid waste management plans to be developed by the counties and the State, rather than to establish a comprehensive integrated solid waste management plan to be developed by the department of health;
- (2) Amending section 2 to:
 - (A) Delete the definition of "advance disposal fee";
 - (B) Add the definition of "disposal fee", which means a fee that may be charged on items that will eventually end up as solid waste with the intent of factoring into the price or use or disposal of the same the eventual cost of managing the goods as wastes;
 - (C) Change the citation to the enterprise zone program in the definition of "enterprise zone" from section 209E-8, Hawaii Revised Statutes, to chapter 209E, Hawaii Revised Statutes, since the former relates to rules rather than the enterprise zone program;
 - (D) Change the solid waste management priorities of the department of health and the counties, as articulated in § -2, to require the consideration of "incineration with energy recovery" before "landfilling and incineration without energy recovery";
 - (E) Specify that the base year to be used for calculating progress toward the goal of reducing the amount of office paper consumption by state and county agencies through source reduction, as articulated in § -3(b), shall be 1990;
 - (F) Require the office of solid waste management to assess the feasibility of employing disposal fees, including fees at the point of introduction or sale of any product that would require eventual disposition as solid waste, rather than advance disposal fees as specified in § -14(6), as possible funding sources for waste management activities; and
 - (G) Delete § -43 to eliminate the duplication of the nearly identical provisions in § -3(b) concerning the State's goal of reducing the amount of office paper generated by state and county agencies by January 1, 1995, and renumbering § -44 to § -49 accordingly;
- (3) Amending section 4 to increase the sum appropriated for fiscal year 1991-1992, for the department of health to conduct a statewide household hazardous waste collection and disposal project, from \$175,000 to \$375,000; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee received testimony supporting the basic intent of this bill with, in some instances, suggestions for specific amendments, from the department of business, economic development, and tourism, the department of health, the city and county of Honolulu department of public works, the governor's advisory committee on litter control, the Council for Solid Waste Solutions, the Kimberley Clark Company, and the University of Hawaii college of tropical agriculture and human resources.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 954, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 954, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1128 Ways and Means on H.B. No. 795

The purpose of this bill is to amend section 18 of Act 139, Session Laws of Hawaii 1990, to prevent the repeal of the 1990 amendments to the meat inspection law on June 30, 1991.

Your Committee finds that a repeal date was inserted into Act 139, Session Laws of Hawaii 1990, to allow the State time to ascertain the nature and scope of the exotic meat inspection program before making a long-term commitment to the same. Your Committee also finds that Act 139, Session Laws of Hawaii 1990, contained numerous amendments to the Hawaii Meat Inspection Act, including amendments to make the Hawaii Meat Inspection Act consistent with the Federal Meat Inspection Act.

Your Committee received testimony in support of this bill from the department of agriculture, and was advised by the chairperson of the board of agriculture that the repeal of Act 139 would:

- (1) Prevent the public from having a local source of meat from axis deer and other exotic species, as well as stop the development of a fledgling agricultural industry;

- (2) Deprive persons seeking custom slaughter of their own animals a sanitary environment in which to have the same processed for consumption; and
- (3) Render sections of the Hawaii Meat Inspection Act inconsistent with the Federal Meat Inspection Act.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 795, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1129 Ways and Means on H.B. No. 955

The purpose of this bill is to:

- (1) Authorize the director of health to make grants or loans, or both, to any state or county agency for the construction of wastewater treatment works, provided the grants or loans, or both, are allocated to projects on the basis of existing and future growth patterns;
- (2) Require an applicant for a grant or loan, or both, to provide reasonable assurances that an impact fee structure will be instituted to insure that new developments pay their appropriate share of the costs of the treatment works;
- (3) Require the state or county agency receiving state funds to require the installation of low flow water fixtures and devices in all new construction projects, and to require these fixtures and devices to be approved by the International Association of Plumbing and Mechanical Officials and to comply with applicable American National Standards and such other standards as may be required by the respective counties;
- (4) Require applicants to pay sixty per cent of the nonfederal share of the estimated reasonable cost of the approved treatment works if federal grant funds are available, and to authorize the director of health to make grants or loans, or both, up to one hundred per cent of the estimated cost of the project if federal grant funds are not available;
- (5) Limit the financial assistance that may be provided to governmental agencies from federal funds, rather than state and federal funds, in the water pollution control revolving fund to loans, loan guarantees, and bond guarantees, and to require federal funds to be kept in a separate account or series of accounts from the account or accounts for state funds in the revolving fund;
- (6) Require the revolving fund to be established, maintained, and credited with investment income, in addition to loan repayments;
- (7) Require the director of health to submit an annual report to the legislature on all grants made from the revolving fund;
- (8) Authorize the department of budget and finance, with the approval of the governor, to issue special purpose revenue bonds at such times and in such amount or amounts, not to exceed \$250,000,000 in aggregate principal, to authorize all or part of the proceeds of the bonds to be deposited in the revolving fund and to be held and invested in a separate account or accounts, and to authorize the director of health to pledge funds deposited or to be deposited in the revolving fund to the payment or security of the bonds or the loans; and
- (9) Authorize the State to provide assistance to any department or to any county or board, agency, or instrumentality thereof, in addition to members of the general public, by buying, refinancing, or guaranteeing loans made to or other obligations incurred by the latter, in addition to making loans or causing loans to be made available to the same.

Your Committee received testimony in support of this bill from the Honolulu board of water supply and the department of health.

Your Committee has amended this bill by:

- (1) Amending section 1 to:
 - (A) Allow, rather than require, the director of health to allocate grants or loans, or both, to projects on the basis of existing and future growth patterns;
 - (B) Clarify that the State or the county receiving state funds must require the installation of low flow water fixtures and devices that comply with applicable American National Standards Institute standards, rather than applicable American National Standards;
 - (C) Clarify that the department of budget and finance, is authorized to issue revenue bonds, rather than special purpose revenue bonds, in such amount or amounts not to exceed \$250,000,000 in aggregate principal, and to clarify the purposes for which these bonds may be issued; and
 - (D) Changing the citation to section 301(h) of the Federal Water Pollution Control Act from 33 U.S.C. 1331(h) (which does not exist) to 33 U.S.C. 1311(h).
- (2) Amending section 2 to replace existing statutory material that appears to have been inadvertently left out of the amended definition of "revenue"; and

- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 955, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 955, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1130 Ways and Means on H.B. No. 2109

The purpose of this bill is to appropriate the sum of \$180,000 for fiscal year 1991-1992, and the same sum for fiscal year 1992-1993, for the University of Hawaii's school of public health to continue its investigation of volcanic air pollution until the department of health develops the capability to conduct routine monitoring for volcanic air pollutants.

Your Committee finds that the appropriations made by this bill are in the public interest and for the public health, safety, and general welfare of the State.

Your Committee has amended this bill by changing the appropriations to unspecified amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2109, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2109, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1131 Ways and Means on H.B. No. 895

The purpose of this bill is to grant individuals affected by the Hawaiian home lands trust the right to settle their individually affected controversies (as opposed to controversies that affect the beneficiaries as a whole) by suing directly in circuit court. These suits must involve claims and controversies that arose during the period between August 21, 1959 and June 30, 1988 and may be consolidated or maintained as class actions, pursuant to court rules. However, the requirement that the case or controversy be individual in nature may not be overcome by filing a class action relating to claims that could not be individually maintained.

Your Committee concurs with the findings of your Committees on Housing and Hawaiian Programs and Judiciary.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 895, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

Rep. 1132 Ways and Means on H.B. No. 183

The purpose of this bill is to increase the membership of the labor and industrial relations appeals board from three to five members.

Your Committee has amended this bill by deleting the substance and inserting a provision that would change the factor used in determining maximum and minimum weekly benefits for dependents from .667 to .6667.

Your Committee finds that the proposed amendment would be consistent with the factor used in computing total and partial disability benefits pursuant to the workers' compensation law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 183, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 183, S.D. 2.

Signed by all members of the Committee.

SCRep. 1133 Ways and Means on H.B. No. 816

The purpose of this bill is to authorize the comptroller to deposit moneys received from settlements of claims or losses of state property into the state risk management revolving fund.

Currently such moneys are deposited into the state general fund. Your Committee finds that this bill will help provide the funding needed to ensure timely restoration of public services and repair or replacement of state property.

Your Committee notes that it has already heard testimony and recommended passage of this measure through the companion bill, S.B. No. 1186, S.D. 1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 816, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1134 Ways and Means on H.B. No. 844

The purpose of this bill is to appropriate funds for fiscal year 1991-1992 to be expended by the state department of defense for improvements to the statewide rainfall and flood information system.

Specifically, the funds will be used to establish: (1) the capability to provide high priority rainfall information to each county's emergency operations center; and (2) programming access to telemetered rainfall information, initially in one or two flood prone valleys in each county.

Your Committee finds that this bill will complement existing National Weather Service capabilities and facilitate appropriate responses to emergency weather conditions throughout the State.

Your Committee has amended this bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 844, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 844, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1135 Ways and Means on H.B. No. 851

The purpose of this bill is to provide for the continued operation of the state capitol tour service while the state capitol is being renovated.

The bill provides for the temporary transfer of the capitol tour service function to the office of information in the office of the governor during the renovation period and requires the office of information to formulate a plan for the implementation of a permanent capitol district tour and information program. The bill also appropriates funds for the operations of the program, the renovation of and furnishings for the Mabel Smythe building, and the purchase and installation of communications equipment.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 851, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1136 Ways and Means on H.B. No. 987

The purpose of this bill is to simplify the process used to calculate pay adjustments for public employees in shortage category classes.

Your Committee concurs with the findings of the Committee on Public Employment and Institutions that the present method of computing shortage category pay adjustments is too convoluted and that this bill will improve administration of the shortage category system. Your Committee notes that the concept of simplifying the pay adjustment computation for shortage categories embodied in this bill has already been approved by your Committee through its recommendation for passage of S.B. No. 1289, S.D. 1, in Senate Standing Committee Report No. 613.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 987, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1137 Ways and Means on H.B. No. 998

The purpose of this bill is to provide a fine of up to \$250 for each offense for violations of the workers' compensation law, the temporary disability insurance law, the prepaid health care act, and for general violations of chapter 371, relating to the department of labor and industrial relations. Alleged violators have twenty-one days in which to be heard by the director. Funds collected for violations of the workers' compensation law shall be deposited into the workers' compensation special fund, those collected for violations of the temporary disability law will be deposited into the special fund for disability benefits, and those collected for violations of the prepaid health care act will be deposited into the special premium supplementation fund.

Your Committee finds that at present, these laws lack a consistent enforcement scheme. This bill will give the department the ability to carry out its enforcement duties with increased efficiency and effectiveness, without depriving the violator of due process.

Your Committee has amended this bill by specifying that fines collected pursuant to each affected chapter, rather than just to the penalty section, shall be transmitted to the appropriate fund.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 998, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 998, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1138 Ways and Means on H.B. No. 1005

The purpose of this bill is to clarify that the deputy executive director of the civil rights commission is exempt from the civil service and compensation laws.

Your Committee finds that the commission's executive director, as well as its attorneys and hearing officers, are exempt from civil service requirements, and it is appropriate for the deputy executive director to be exempt as well.

Your Committee notes that it has already heard testimony and recommended passage of this measure through the companion bill, S.B. No. 1322, S.D. 1.

Your Committee has amended this bill by making a technical, nonsubstantive change to delete a word that does not appear in underlying statutory language.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1005, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1005, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1139 Ways and Means on H.B. No. 1038

The purpose of this bill is to fund cost items negotiated for collective bargaining unit 3 for the 1991-1993 fiscal biennium.

The exclusive representative for collective bargaining unit 3 and the State are currently in negotiations for a new contract. This separate bill is necessary to cover the cost items of the new contract since an agreement may not be reached in time to include those items in the 1991-1993 biennium budget.

Your Committee notes that it has already heard testimony on and recommended passage of this measure through its companion bill, S.B. No. 1236, S.D. 1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1038, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1140 Ways and Means on H.B. No. 1040

The purpose of this bill is to fund salary increases and other employee benefits for the 1991-1993 fiscal biennium for state employees who are excluded from collective bargaining.

Chapter 89C, Hawaii Revised Statutes, provides for the adjustment of salaries and other benefits for excluded employees whenever adjustments are negotiated for included employees. Any adjustments made for excluded employees, however, are contingent upon appropriations made by the legislature. Since the exclusive representatives for collective bargaining units 3 and 4 are currently in negotiations with the State and agreement is expected prior to the adjournment of session, this bill is necessary to ensure that funds are provided to cover the anticipated cost of adjustments to salaries and benefits for excluded employees.

Your Committee notes that it has already heard and recommended passage of the companion measure, S.B. No. 1237, S.D. 1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1040, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1141 Ways and Means on H.B. No. 1044

The purpose of this bill is to amend the state and county contributions to the public employees health fund for retirees with fewer than ten years of credited service.

Currently, monthly contributions for the hospital, medical, and surgical, the prescription drug, the vision care, and the adult dental plans are established every two years by statute. This bill provides that the public employers shall pay each month an amount for all four plans in the aggregate equal to one-half of the total monthly Medicare or non-Medicare premium costs for employee-beneficiaries and employee-beneficiaries with dependents.

The bill also provides that the public employers shall pay one hundred per cent of the contributions for the children's dental and the group life insurance benefits plans.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1044, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1142 Ways and Means on H.B. No. 1121

The purpose of this bill is to authorize the board of trustees of the public employees health fund to select a long-term care benefit plan that is either a self-insured plan guaranteed by the State or a fully-insured plan underwritten by an insurance carrier.

Your Committee has already considered this matter during its deliberations over its companion bill, S.B. No. 1538, and agrees that the flexibility of choice authorized by this bill will enable the board of trustees to obtain the best and most cost-effective long-term care plan for the health fund.

Your Committee has amended this bill to replace the appropriations with blank amounts and to make several technical, nonsubstantive amendments to reflect existing statutory language and for purposes of style. Your Committee notes that the number and letter designations in section 87-1, Hawaii Revised Statutes, have been reinstated since these existing designations are used as references in other sections of the Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1121, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1121, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1143 Ways and Means on H.B. No. 1124

The purpose of this bill is to exempt from civil service key positions in the offices of the prosecuting attorneys of Hawaii, Kauai, and Maui counties.

Specific positions exempted are those of private secretary and administrative or executive assistants to the prosecutor, secretary to the first deputy prosecuting attorney, and chief investigator; however, these positions will remain in the position classification plan.

Your Committee finds that neighbor island prosecuting attorneys should be able to make their own appointments to these sensitive positions.

Your Committee has amended this bill by adding a new section 1 to amend section 76-16, Hawaii Revised Statutes, regarding positions exempt from civil service. The amendments to section 76-16 require the director of personnel services to notify the legislature in writing not less than fourteen days before the filling of the following kinds of exempt positions:

- (1) Positions filled by contract employees where the service is special or unique, or essential to the public interest and personnel cannot be found through normal civil service recruitment procedures;
- (2) Positions of a temporary nature not to exceed one year and recruitment through normal civil service recruitment procedures is not practicable;
- (3) Employees engaged in special research or demonstration projects approved by the governor; and
- (4) Positions filled by persons employed on a fee, contract, or piecework basis, who perform their duties concurrently with their private business or profession.

The amendment also specifies the kinds of information required in the notification:

- (1) The type of position;
- (2) The duties required of the position;
- (3) The term of the position;
- (4) The project or overall goal;
- (5) The source of funding;
- (6) A statement that the anticipated costs are fair and reasonable; and
- (7) A statement as to why civil service recruitment procedures could not be used.

The remaining sections of the bill were renumbered.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1124, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1124, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1144 Ways and Means on H.B. No. 985

The purpose of this bill is to authorize the governor to transfer funds between existing programs of the state government to pay workers' compensation claims against the State.

Your Committee received testimony in support of this bill from the director of personnel services, who noted that:

- (1) The amount budgeted to pay workers' compensation claims against the State for fiscal year 1990-1991 was established in 1988, and that at the time, the department of personnel services did not foresee that it would be

assuming responsibility for the management of the department of education's workers' compensation claims, which occurred in October of 1989;

- (2) Based on the department of personnel services' current rate of expenditure and projection of costs to be paid through June 30, 1991, the original appropriation of \$9,724,600 would not be sufficient to meet the needs of fiscal year 1990-1991; and
- (3) This bill was being recommended by the governor for immediate passage.

Your Committee has amended this bill by:

- (1) Requiring the governor to notify the legislature of each transfer, within ten days; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 985, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 985, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1145 Ways and Means on H.B. No. 1039

The purpose of this bill is to fund cost items negotiated for collective bargaining unit 4 for the 1991-1993 fiscal biennium.

The exclusive representative for collective bargaining unit 4 and the State are currently in negotiations for a new contract. This separate bill is necessary to cover the cost items of the new contract since an agreement may not be reached in time to include those items in the 1991-1993 biennium budget.

Your Committee notes that it has already heard testimony on and recommended passage of this measure through the companion bill, S.B. No. 1235, S.D. 1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1039, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1146 Ways and Means on H.B. No. 1538

The purpose of this bill is to clarify the circumstances under which seasonal employees are eligible for temporary disability insurance (TDI) benefits.

Under current law, TDI benefits are only payable for periods of disability during which the employee would have earned wages, but for the disability. Accordingly, seasonal workers are not entitled to benefits during the off-season even if they are disabled. An inequity exists, however, as disabled seasonal workers are not entitled to unemployment insurance benefits because their disabilities render them unavailable for work.

This bill would require the payment of benefits to employees whose disabilities were incurred during a season but continue during the off-season period and to employees whose disabilities commence during the off-season period and continue into the season. By allowing disability benefits for the full duration of the disability for seasonal workers, this bill brings the TDI law into conformity with its intent and purpose.

Your Committee has amended this bill by deleting the word "not" on line 17 of page 1. The department of labor and industrial relations has clarified that the term "current employment" as defined in section 392-6(1), Hawaii Revised Statutes, requires that an individual earn wages during the two-week period prior to the onset of disability in order to qualify for benefits. Accordingly, this amendment is necessary to prevent any ambiguity or misinterpretation whereby benefits could be granted to ineligible persons.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1538, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1538, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1147 Ways and Means on H.B. No. 699

The purpose of this bill is to provide Assistant Clerks and Assistant Sergeants at Arms serving in the Legislature on July 1, 1991 with the same retirement benefits afforded Chief Clerks and Sergeants at Arms.

Your Committee finds that because the appointment and tenure of Assistant Clerks and Sergeants at Arms are subject to the same criteria as Chief Clerks and Sergeants at Arms, their retirement eligibility and benefits should be similarly determined.

Your Committee has amended this bill by including members who previously served as Assistant Clerks or Assistant Sergeants at Arms, and by providing that any retirant who returns to employment and is enrolled as a member of the

System will have their previous service as an Assistant Clerk or Assistant Sergeant at Arms recognized for retirement purposes.

Your Committee has also amended this bill by correcting a grammatical error and by making a technical change that has no substantive effect.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 699, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 699, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1148 Ways and Means on H.B. No. 821

The purpose of this bill is to:

- (1) Delete the current provisions regarding fees assessed by boards and commission within the department and add new provisions permitting the director to establish, change, or repeal fees, requiring fees to bear a reasonable relation to the value of services rendered, and providing that amendments to fee assessments be made pursuant to chapter 91, Hawaii Revised Statutes, the Hawaii Administrative Procedure Act;
- (2) Permit the director or any board or commission to delegate to the executive secretary or other personnel of the department any powers it deems reasonable or proper for the administration of licensing laws, except the authority to adopt, amend, or repeal rules, or take final disciplinary action against a licensee; and
- (3) Make other housekeeping amendments.

Your Committee finds that these amendments will streamline and expedite the department's services to applicants and licensees.

Your Committee has amended this bill to substitute a reference to chapter 92F, Hawaii Revised Statutes, in place of an obsolete reference to section 92-51, Hawaii Revised Statutes, which was repealed in 1988.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 821, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 821, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1149 Ways and Means on H.B. No. 2174

The purpose of this bill is to establish one insurance premium tax rate for all domestic and foreign insurers, and to provide tax credits for eligible insurers who comply with certain requirements.

Under current law, the State imposes a tax on the gross premium income of insurance companies doing business in Hawaii. The tax rates depend on the type of insurance and whether the insurance company is a domestic or a foreign insurer. Foreign insurers are taxed at a higher rate. This disparity of rates is being challenged on constitutional grounds, and \$90,000,000 is in escrow pending the resolution of this issue.

Your Committee heard this bill on March 27, 1991 and received testimony from the department of taxation, the Hawaii Domestic Insurers Tax Committee, and the Hawaii Domestic Preference Legislative Group.

Your Committee finds that this bill as received addresses the issue of the disparity in rates by establishing a uniform rate of 4.3 per cent for all authorized insurers except life and ocean marine insurers and a uniform rate of 3.2 per cent for all life insurers. The bill also establishes a tax credit for contributions made by an insurance company to the state unemployment compensation fund, workers' compensation fund, and temporary disability; for group life, prepaid dental or health insurance, and pension plans; and for taxes paid under the Federal Insurance Contributions Act of 1986, as amended. The tax credits are available to insurers who have a designated employee responsible for its insurance operations residing in the State, and who gross at least \$250,000 annually for insuring risks and property resident in the State.

If any of these provisions are invalidated, the bill contains alternative provisions retaining the uniform rates but deleting the tax credits. Any eligible insurer who paid the taxes under protest will receive a refund that must be passed on to the insurer's insureds in the State.

Your Committee finds that this is a serious issue that needs resolution. Your Committee finds that the legislature has grasped the importance of this issue and attempted to address it last session through H.B. No. 2418, Regular Session of 1990, which passed the legislature. However, the bill was vetoed by the governor due to concerns including loss of revenues to the State. This bill attempts to resolve the governor's concern with its fiscal impact by providing that the new premium rate shall be repealed July 1, 1993 unless certain minimum revenues are obtained, or the ratio of aggregate premium tax credits allowed to authorized insurers in the State as compared to the aggregate premium tax credits and a minimum level of tax revenues reaches a predetermined level.

Your Committee has amended this bill by:

- (1) Establishing one rate for all types of insurance and all domestic and foreign insurers of three per cent;

- (2) Deleting the present scheme of tax credits;
- (3) Providing tax credits for:
 - (A) Credits claimed under sections 235-12, 235-110.7, and 235-110.8, Hawaii Revised Statutes;
 - (B) Contributions to tax exempt nonprofit corporations incorporated under chapter 415B, Hawaii Revised Statutes;
 - (C) Contributions for low-income housing through the housing finance and development corporation;
 - (D) Contributions made through the office of employment and training administration for job training programs in Hawaii;
 - (E) Assistance to the homeless;
 - (F) Fees paid for maintaining books and records in Hawaii and for personnel responsible for them; and
 - (G) Examination fees; and
- (4) Establishing an effective date.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 2174, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2174, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1150 Ways and Means on H.B. No. 513

The purpose of this bill is to amend section 560:5-610, Hawaii Revised Statutes, relating to the reproductive rights committee. The amendments establish the committee within the department of health, state planning council on developmental disabilities, for administrative purposes, provide for staggered terms of appointment, authorize the committee to hire staff, and clarify that committee members serve without pay but may be reimbursed for expenses incurred.

Your Committee notes that, according to Senate Standing Committee Report No. 855, your Committee on Judiciary intended to amend this bill to provide for its repeal on July 1, 1993, but inadvertently failed to do so.

Your Committee has amended this bill as follows:

- (1) By inserting the repeal date intended by the previous Committee;
- (2) By requiring senate confirmation of the committee members; and
- (3) By making several technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 513, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 513, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1151 Ways and Means on H.B. No. 601

The purpose of this bill is to revise the fee schedule for filing court documents in order to streamline the administration of the courts.

Your Committee finds that there are at present over fifty different fees and fee schedules for filing different types of court documents. This bill significantly reduces the number of individual fees, thereby reducing the current practice which is burdensome and inefficient to the courts and the public. This bill will reduce the bookkeeping workload for the court clerks and enable them to address more pressing concerns.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 601, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1152 Ways and Means on H.B. No. 1007

The purpose of this bill is to appropriate funds from the general revenues of the State to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

Your Committee notes that the appropriations made by this Act will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$3,183,109.45, or 0.12 per cent, and has amended this bill by adding the 0.12 percentage amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1007, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1007, H.D. 2, S.D. 1.

Signed by all members of the Committee.

SCRep. 1153 Ways and Means on H.B. No. 1012

The purpose of this bill is to clarify who may serve investigative subpoenas, set fees for research and reproduction of records by financial institutions that perform these services in compliance with investigative subpoenas, and provide immunity from civil liability for releasing information in compliance with investigative subpoenas.

Your Committee finds that the bill will:

- (1) Enable authorized agencies who employ employees with powers of police officers to serve subpoenas through these employees;
- (2) Eliminate the disparities in fees charged by financial institutions for research and reproduction of records, by setting these fees at the rate established by the Board of Governors of the Federal Reserve System; and
- (3) Clarify that compliance with investigative subpoenas will not expose the recipient to civil liability.

Your Committee has amended the bill by deleting the provisions that reimbursement shall be paid at the rate and under the conditions established by the Board of Governors of the Federal Reserve System.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1012, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1012, S.D. 1.

Signed by all members of the Committee.

SCRep. 1154 Ways and Means on H.B. No. 1177

The purpose of this bill is to appropriate funds to the office of the lieutenant governor to replace the current voting system with a new electronic voting system.

Your Committee finds that the present system is becoming too labor and cost intensive to maintain and operate effectively and efficiently, and that a new electronic system is necessary.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1177, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1155 Ways and Means on H.B. No. 124

The purpose of this bill is to amend the eligibility requirements for public assistance by authorizing the department of human services to disregard any payment or benefit, other than wages, received by a person for services in a voluntary or involuntary work program conducted by the department or by a person who obtains employment through personal initiative. In addition, this bill clarifies that \$1,000 in assets may be disregarded in determining a person's financial need and specifies that no applicant or recipient shall be entitled to public assistance if that applicant has over \$1,000 in assets.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 124, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1156 Ways and Means on H.B. No. 375

The purpose of this bill is to amend the laws relating to the Hawaii state coordinating council on deafness by:

- (1) Providing for seven council members who are representatives of state or county agencies;
- (2) Replacing all references to hearing impaired individuals with "deaf, hard-of-hearing, or deaf-blind persons";
- (3) Allowing for two of the seven council members from the public to be certified or locally screened interpreters;
- (4) Prohibiting the hiring of interpreters who serve as voting council members from interpreting at council meetings; and
- (5) Providing for the council's payment of interpreter services for deaf, hard-of-hearing, or deaf-blind persons participating in programs and activities of tax-exempt organizations qualified under Section 501(c)(3) of the Internal Revenue Code of 1986.

Your Committee has amended the bill to have the eligibility of the persons participating in programs of tax exempt organizations coincide with the removal of eligibility for persons participating in programs of the State and counties.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 375, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 375, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1157 Ways and Means on H.B. No. 544

The purpose of this bill is to:

- (1) Authorize the department of health to adopt rules, policies, and procedures to implement Act 212, Session Laws of Hawaii 1988, as amended by Act 182, Session Laws of Hawaii 1989 (relating to the "Operation Nightingale" program or nursing license examination preparation);
- (2) Exempt the department's rules, policies, and procedures relating to the "Operation Nightingale" program from the public notice and hearing requirements of chapter 91, Hawaii Revised Statutes, and to allow the same to take effect immediately upon filing with the office of the lieutenant governor without the need for gubernatorial approval;
- (3) Require the department to design and operate review and training courses to enable graduates of nursing schools to pass the written examination required by the state board of nursing, rather than the written examinations required by the commission on graduates of foreign nursing schools or the state board of nursing;
- (4) Require the department to establish requirements and procedures for appeal by candidates not selected for the "Operation Nightingale" program;
- (6) Establish the "Operation Nightingale" program as a four-year state program, require the department to operate the same through fiscal year 1994-1995, and to require the department to submit reports to the legislature on the performance of the "Operation Nightingale" program before the convening of the 1992, 1993, 1994, 1995, and 1996 legislatures; and
- (7) Appropriate the sum of \$1 to the department of health for fiscal year 1991-1992, for the purpose of continuing and expanding the "Operation Nightingale" program.

Your Committee has amended this bill by:

- (1) Amending section 1 to:
 - (A) Authorize the department of health to adopt rules, rather than rules, policies, and procedures, to implement Act 212, Session Laws of Hawaii 1988, as amended by Act 182, Session Laws of Hawaii 1989;
 - (B) Delete the provision exempting the department's rules, policies, and procedures from the public notice and hearing requirements of chapter 91, Hawaii Revised Statutes;
 - (C) Delete the provision allowing the department's rules, policies, and procedures from taking effect immediately upon filing with the office of the lieutenant governor without the need for gubernatorial approval; and
 - (D) Repeal and consolidate existing statutory material that have been made redundant or unnecessary because of this bill;
- (2) Renumbering sections 3 and 4 as sections 2 and 3 to reflect the fact that existing statutory material from Act 212, Session Laws of Hawaii 1988, as amended by Act 182, Session Laws of Hawaii 1989, are being amended, and renumbering sections 5, 6, 7, and 8 as sections 3, 4, 5, and 6;
- (3) Amending section 4 to change the appropriation to an unspecified amount; and
- (4) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 544, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 544, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1158 Ways and Means on H.B. No. 813

The purpose of this bill is to establish a self-reliant Hawaii targeted jobs credit by adding to the law the pertinent language of the Internal Revenue Code (IRC) section 51 and eliminating all specific references to IRC section 51, currently appearing in the law.

Your Committee has amended this bill by correcting an inaccurate cross reference to the Social Security Act and by making other technical nonsubstantive changes for purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 813, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 813, S.D. 1.

Signed by all members of the Committee.

SCRep. 1159 Ways and Means on H.B. No. 889

The purpose of this bill is to assist in providing permanent funding for the development of family literacy programs across the State by establishing a public-private partners for literacy trust fund.

Your Committee has amended this bill by changing the appropriation to a blank amount and by making a technical, nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 889, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 889, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 1160 Ways and Means on H.B. No. 937

The purpose of this bill is to authorize the department of health to establish charges and collect fees for any of its services, and to prohibit the department from refusing to provide services to any person due to the person's inability to pay the fee for the service.

Your Committee finds that there is a wide variation in the authority granted to the department of health to establish charges and collect fees for its services. Because of this ambiguity, the attorney general has determined that the department of health cannot establish fee scales for certain programs without new statutory authority. This bill will clarify the authority of the department of health to establish these charges and collect these fees.

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 937, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 937, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1161 Ways and Means on H.B. No. 1275

The purpose of this bill is to authorize the department of budget and finance to issue refunding special purpose revenue bonds to assist the continued provision of residential and health care services to the elderly at the Pohai Nani Good Samaritan Kauhale in Kaneohe, Oahu.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1275, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1162 Ways and Means on H.B. No. 734

The purpose of this bill is to extend the medical services excise tax credit from December 31, 1991 to December 31, 1996. The credit of four per cent of qualified medical expenses paid during the taxable year may be claimed by each resident individual taxpayer who files an individual income tax return for the taxable year and who is not claimed or eligible to be claimed as a dependent by another taxpayer.

Your Committee finds that the medical services excise tax credit is especially important to provide some relief to those individuals who incur continuing and mounting medical expenses, and has amended this bill to eliminate the sunset provision and make the credit permanent.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 734, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 734, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1163 Ways and Means on H.B. No. 938

The purpose of this bill is improve the procedures for the review of grants, subsidies, and purchases of service requests under chapter 42, Hawaii Revised Statutes.

More specifically, the bill makes various changes to chapter 42, Hawaii Revised Statutes, to:

- (1) Prevent unnecessary delays in contract execution and payments;
- (2) Establish a mechanism for the automatic review by the legislature of all requests which have been cut from the executive budget; and

- (3) Establish a mechanism for the continuous review and amendment of the chapter 42 process.

Your Committee finds that under current law, an agency that anticipates the need to purchase services solicits proposals for potential providers prior to the request for funds. The efficiency and effectiveness of the proposal solicitation and review process has been the subject of much debate in recent years as some proposals that are solicited, reviewed, and recommended by agencies are not included in the final budget while others that are not recommended by agencies are included. After due consideration of this matter, your Committee believes that this bill, as received, will not adequately address this problem. Moreover, at the hearing on April 3, 1991, the department of budget and finance pointed out many concerns regarding the provisions of the bill as received. Accordingly, your Committee has amended this bill by substituting its provisions with the contents of S.B. No. 1379, S.D. 1, with some changes.

This bill as amended by your Committee will allow the solicitation and review of proposals for purchases of service after the funding is available. The bill provides for a procedure to enhance the expending agency's ability to evaluate and monitor its purchase of service providers through a comprehensive system designed for the State by SMS Research and Arthur Anderson & Co. The bill establishes advisory commissions which shall provide another tier of assistance for agencies in making the most cost-effective decisions in relation to the services required. The bill strengthens the budget request and budget execution process by requiring the agencies to include facts and figures to justify funding of the service sought, thereby enabling them to make the most appropriate selection of purchase of service providers. The bill also provides for a repeal date of June 30, 1997, after which the current chapter 42 provisions will be reenacted, unless otherwise provided by law.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 938, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 938, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1164 Ways and Means on H.B. No. 2117

The purpose of this bill is to appropriate \$75,000 to fund a telecommunication project using the state information network and HAWAII FYI for the disabled population, in particular the physically and sensory impaired, to provide equal access to government and information services.

Your Committee has amended the bill by changing the expending agency to the commission on persons with disabilities.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2117, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2117, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1165 Ways and Means on H.B. No. 2119

The purpose of this bill is to:

- (1) Require the office of state planning to:
 - (A) Plan for the establishment of a community health and human services development corporation, the purpose of which will be to plan, coordinate, and review health and human services programs in the Kalihi-Palama community; and
 - (B) Provide such staffing and technical assistance to the corporation's board of directors as may be necessary to carry out the purposes of this Act;

and
- (2) Appropriate the sum of \$75,000 for fiscal year 1991-1992, for the office of state planning to plan for the establishment of the community health and human services development corporation for the Kalihi-Palama community.

This bill creates a board of directors that will be responsible for assessing and identifying community needs and for planning and developing new programs and services for families and individuals, as well as reviewing existing programs and services. The board will help agencies and organizations, both public and private, to avoid the duplication and fragmentation of services and to coordinate services for the maximum use of governmental resources, as well as to develop other sources of funds to enhance the quality of services in the community.

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2119, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2119, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1166 Ways and Means on H.B. No. 2157

The purpose of this bill is to authorize the department of health to establish standards for the conduct of utilization review and managed care in mental health, alcohol, or drug abuse treatment services.

Utilization review and managed care are systems for reviewing the appropriate and efficient allocation of treatment services for the purpose of recommending or determining whether such services should be eligible for third-party coverage.

According to testimony presented to your Committee at its hearing on April 1, 1991, this bill represents a collaborative effort among representatives of the department of health behavioral services administration, the Hawaii Medical Service Association, the Hawaii Psychiatric Medical Association, a private substance abuse provider, the Hawaii Psychological Association, and the department of human services. The department of health noted that while many issues remain to be resolved through the rule making process, this bill will provide the basis for proceeding to assure the delivery of quality treatment services in a fair and equitable manner.

After due consideration, your Committee has amended this bill to:

- (1) Incorporate references to psychological care as recommended by the Hawaii Psychological Association to ensure that psychological services are included in the standards for review;
- (2) Require that a denial of third-party reimbursement or of prior authorization for that service be accompanied by a written evaluation, findings, and concurrence of a comparable professional;
- (3) Subject an agency as well as a person to the penalty for violation of this law; and
- (4) Make technical, nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2157, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2157, H.D. 2, S.D. 2.

Signed by all members of the Committee .

SCRep. 1167 (Majority) Ways and Means on H.B. No. 237

The purpose of this bill is to authorize the department of business, economic development, and tourism to investigate the feasibility of creating public storage facilities for petroleum products, and an authority empowered to import, store, distribute, and market petroleum products.

Your Committee agrees that there is a need to promote greater competition within Hawaii's petroleum product market and supports a study that explores the possible solutions that might exist in establishing a publicly owned tanker accessible terminal for the storage of gasoline imports.

Your Committee has amended this bill by changing the amount appropriated to a blank amount, and by changing the relevant fiscal year from 1990-1991 to 1991-1992.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 237, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 237, H.D. 2, S.D. 2.

Signed by all members of the Committee .
Senator George did not concur.

SCRep. 1168 Ways and Means on H.B. No. 249

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$42,000,000 to finance capital improvement programs to provide electric energy by Kauai Electric Division of Citizens Utilities Company.

Your Committee finds that the issuance of the special purpose revenue bonds will assist Kauai Electric in the funding of its capital improvement programs that are necessary to maintain reliable electric service to the residents of Kauai. It will result in lower electric rates to consumers and is in the public interest. Your Committee further notes that it is familiar with and has recommended passage of this measure through the companion bill, S.B. No. 277, S.D. 2.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 249, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1169 Ways and Means on H.B. No. 382

The purpose of this bill is to require a portion of the fees collected from cable television franchise holders to be deposited into the public broadcasting revolving fund for use in program production by the Hawaii public broadcasting authority.

Your Committee finds that this bill will allow for the continued production of high quality cultural, educational, and informational programming by the Hawaii public broadcasting authority, as well as support Hawaii's television and motion picture industry.

Your Committee has amended this bill by deleting the words "Each cable operator shall pay" at line 10 on page 1 and by changing the word "SECTION" at line 2 on page 2 to lower case type.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 382, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 382, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1170 (Majority) Ways and Means on H.B. No. 907

The purpose of this bill is to authorize the department of business, economic development, and tourism, until June 30, 1993, to transfer moneys among the department's business loan revolving funds, as the need arises. The revolving funds involved are the large fishing vessel loan program, the small fishing vessel loan program, the capital loan program, and the innovation development loan program.

Your Committee notes that it has already heard testimony and recommended passage of this measure through the companion bill, S.B. No. 1398, S.D. 1.

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

- (1) Require the department of business, economic development, and tourism to report to the legislature every transfer made under this Act within ten days of the transfer; and
- (2) Delete the repeal date of July 1, 1993.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 907, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 907, H.D. 1, S.D. 2.

Signed by all members of the Committee.
Senator George did not concur.

SCRep. 1171 Ways and Means on H.B. No. 1047

The purpose of this bill is to establish a telecommunications and information technology coordination and policy council within the office of the governor to formulate the State's policy on telecommunications and information technology, develop strategic and operational plans to address a state information network, and coordinate state agency projects.

The bill requires the submission of annual reports to the legislature and authorizes the council to hire necessary staff which shall be exempt from the state civil service and compensation laws.

At its hearing on April 1, 1991, your Committee received testimony in support of this measure from the University of Hawaii which noted the need for interagency cooperation and planning for the development and operation of a core infrastructure for telecommunications and information technology for the State. The University of Hawaii, however, suggested that the language in this bill be modified to ensure that this objective is met.

Upon further consideration of this bill, your Committee has made the following amendments:

- (1) The definitions of "information technology" and "telecommunications" were replaced with a new definition for "telecommunications and information technology";
- (2) The powers and duties section was rewritten to include the definition of the core infrastructure to support state agencies' use of telecommunications and information technology and to refine the language regarding the development of plans, coordinating state agency projects, determining state agency roles, and development of operations policies and standards;
- (3) The section on strategic plan development was renamed "strategic plan" and amended to require that the plan include other aspects of the core infrastructure and standards and guidelines which allow effective and efficient use of the core infrastructure;
- (4) The section requiring reports to the governor and legislature was amended to require that the reports include the status of the State's core infrastructure for telecommunications and information technology; and
- (5) A repeal date of June 30, 1995 was added to the effective date section.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1047, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1047, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1172 Ways and Means on H.B. No. 2049

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000 for the purpose of assisting Olokele Sugar Company in the construction and operation of an upgraded boiler

system so that Olokele will be able to provide more electrical power to the Kauai Electric Division of Citizens Utilities Company.

Your Committee finds that the issuance of special purpose revenue bonds in this instance is in the public interest and for the public health, safety, and general welfare of the State.

Your Committee has made technical, nonsubstantive changes to correct minor grammatical errors.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2049, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2049, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1173 Ways and Means on H.B. No. 1705

The purpose of this bill is to appropriate funds to the Hawaii community-based development revolving fund to make loans and grants that would provide financial assistance to traditional and small community-based businesses and enterprises. The bill also amends Act 11, Session Laws of Hawaii 1990, by providing that the funds paid into the revolving fund be used to provide both grants and loans.

Your Committee finds that the flexibility to use the funds in the revolving fund for either grants or loans is necessary to enhance the department of business, economic development, and tourism's ability to accelerate the development of entrepreneurial resources and promote the availability of funding for new business activity.

Your Committee has amended this bill by changing the appropriation in section 3 to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1705, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1705, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1174 Ways and Means on H.B. No. 1454

The purpose of this bill is to strengthen and broaden the laws relating to Industrial Parks.

Specifically, the bill does the following:

- (1) Deletes the requirement that an eligible lessee's business must be at least ninety percent industrial;
- (2) Allows the Department of Land and Natural Resources to develop industrial parks under development agreements;
- (3) Deletes the requirement that each lessee derive a substantial portion of its total annual gross income from activities within the industrial park;
- (4) Authorizes the Board to issue master leases; and
- (5) Provides that the terms and conditions of development agreements already existing when a master lease is issued shall be incorporated into the master lease.

Your Committee finds that this bill will facilitate issuance of leases and development of industrial parks.

Your Committee has amended this bill by clarifying the intent of the Committee on Planning, Land and Water Use Management that the terms and conditions of a master lease concerning the authority to sublease shall supersede any contrary term or condition in a development agreement executed prior to the issuance of a master lease.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1454, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1454, H.D. 1, S.D. 2.

Signed by all members of the Committee .

SCRep. 1175 Ways and Means on H.B. No. 1557

The purpose of this bill is to establish a marine and coastal affairs program in the office of state planning to assist the governor and the legislature in carrying out the policies of the Hawaii ocean resources management plan which was submitted to the legislature this session.

Establishment of this program is an important step toward a coordinated and more effective approach in the management of Hawaii's marine resources by reducing conflicts over land and water usage and jurisdiction, assuring protection of valuable resources, and increasing opportunities for economic growth and diversification. The program is intended to provide exclusive economic zone and overall ocean resources planning and development; coastal zone management; interagency coordination; education and communication facilitation; and conflict resolution.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1557, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1176 Ways and Means on H.B. No. 1955

The purpose of this bill is to appropriate the sum of \$1 to the department of land and natural resources for fiscal year 1991-1992, for a cooperative study between the department and the United States Geological Survey for the purpose of conducting an analysis of the statewide water resources monitoring program.

Your Committee finds that this analysis is necessary in order to identify program objectives and recommendations for the purpose of implementing the state water code.

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1955, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1955, S.D. 2.

Signed by all members of the Committee.

SCRep. 1177 Ways and Means on H.B. No. 976

The purpose of this bill is to authorize the board of land and natural resources to retroactively collect rental payments for violation of a lease, license, easement, or revocable permit.

The board currently has the authority to set, charge, and collect reasonable fines for violations; however, it is not specifically authorized to retroactively charge and collect additional rental payments that may be warranted. This bill will allow the department to more effectively enforce its laws and rules.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 976, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1178 Ways and Means on H.B. No. 1697

The purpose of this bill is to:

- (1) Establish the natural area partnership grant program to provide state funds on a two-for-one basis with private landowners for the management of private lands that are dedicated to conservation;
- (2) Transfer the administration of the natural area reserves system from the department of land and natural resources to the board of land and natural resources;
- (3) Require the board of land and natural resources to conduct public hearings before having the governor revoke or modify an executive order that sets aside lands for the reserves system, or prior to the designation of specific types of lands into the same;
- (4) Require any balance remaining in the natural area reserve fund at the end of any fiscal year to be carried forward in the fund for the next fiscal year;
- (5) Require the board of land and natural resources to annually submit a report to the governor and the legislature setting forth the management objectives that have been completed, an analysis of the problems and issues encountered, the financial condition of the natural area reserve fund, and the management objectives for the next year;
- (6) Provide a tax credit for landowners participating in the natural area partnership grant program; and
- (7) Appropriate the sum of \$250,000 for fiscal year 1991-1992, and the same sum for fiscal year 1992-1993, to the natural area reserve fund for the department of land and natural resources to provide grants under the natural area partnership grant program.

Your Committee has amended this bill by:

- (1) Substituting the term "state funds" in place of "matching funds" since state funds are being provided on a two-for-one basis with private landowners rather than on a one-for-one basis as the term implies; and
- (2) Making technical nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1697, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1697, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1179 Ways and Means on H.B. No. 1699

The purpose of this bill is to establish a forest stewardship program under the board of land and natural resources to assist private landowners in the management, protection, and restoration of important watershed areas, timber resources, fish and wildlife habitats, areas supporting isolated populations of rare and endangered species, and other lands that are not recognized as potential natural area reserves. This bill encourages private landowners to participate in the forest stewardship program by authorizing the board to issue grants to assist in the management of the land and by authorizing participating landowners to claim a tax credit on some of the real property taxes paid on the property.

Your Committee finds that a significant percentage of the lands supporting Hawaii's forest and wildlife resources is privately owned. To ensure the preservation and protection of these areas, your Committee finds that a forest stewardship program to assist private landowners in managing these areas should be established under the board of land and natural resources.

Your Committee has amended this bill by making technical nonsubstantive amendments for purposes of style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1699, H.D. 2, S.D.1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1699, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1180 Ways and Means on H.B. No. 806

The purpose of this bill is to exempt amounts received under an operating contract by the operator of a county transportation system from a political subdivision where the subdivision is the owner of the transportation system.

Your Committee notes that it has already heard testimony and recommended passage of this measure through the companion bill, S.B. No. 1224, S.D. 2.

Your Committee has amended this bill by deleting the provision that limits the exemption to transportation systems operating under contract with a county on the effective date of this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 806, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 806, S.D. 2.

Signed by all members of the Committee.

SCRep. 1181 Ways and Means on H.B. No. 1517

The purpose of this bill is to transfer to the counties all public service tax revenues in excess of the amount that would have been realized at a rate of four per cent to be divided among the counties in the same manner as the transient accommodations tax revenues.

Your Committee believes that recommendations made by the department of taxation accurately reflect the intent of the Committee and will allow for proper administration of the distribution of the revenues. Therefore, your Committee has amended this bill by:

- (1) Allocating revenues to each county based on the proportional contribution of actual tax receipts generated in each county;
- (2) Prohibiting any county from appealing any assessment of the public service company tax on a public utility subject to section 239-5, Hawaii Revised Statutes; and
- (3) Removing the cap as to the maximum amount of revenues transferable to the counties each fiscal year.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1517, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1517, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1182 Ways and Means on H.B. No. 804

The purpose of this bill is to prohibit liquor licenses from being issued unless the applicant in the case of new and renewed licenses, or both the transferor and the transferee in the case of license transfers, present a signed certificate from the director of taxation and the Internal Revenue Service showing that they do not owe the state or federal government any delinquent taxes, penalties, or interest.

Your Committee finds that this measure will protect both the state and federal governments from marginal operators not paying their taxes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 804, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1183 Ways and Means on H.B. No. 1021

The purpose of this bill is to increase revenues to the highway fund by:

- (1) Implementing a rental motor vehicle surcharge tax of \$2 a day and an annual tour vehicle surcharge tax of \$2,500 for buses and \$625 for minibuses and vans;
- (2) Increasing the amount of the state motor fuel tax from \$.11 to an undetermined amount, and the state diesel oil tax from \$.10 to an undetermined amount;
- (3) Increasing the annual motor vehicle registration fee from \$10 to \$22; and
- (4) Increasing the vehicle weight tax.

Your Committee received testimony from the department of transportation, the department of taxation, the Tax Foundation of Hawaii, Hawaii Island Chamber of Commerce, E Noa Tours, Hawaii Transportation Association, Polynesian Adventure Tours, Alamo Rent-a-Car, Inc., PHT, INC., dba Polynesian Hospitality, Westside-U-Drive Enterprises, The Chamber of Commerce of Hawaii and the Construction Industry Legislative Organization, Inc. All of the testimony supported the general purpose of raising revenues for the state highway fund but each opposed the bill on different points.

Your Committee finds upon review of the points raised by the 1990 highway revenue task force that during the next six-year period the financial integrity of the state highway fund may be in jeopardy without an increase in revenues. It is a critical situation that must be dealt with immediately.

Your Committee agrees that the state highway fund should be funded primarily through "user" fees. Your Committee believes that goal is met by:

- (1) Increasing the motor vehicle weight tax;
- (2) Increasing the tax on motor fuel and diesel oil; and
- (3) Increasing the registration fee for motor vehicles from \$10 to \$20, and including mopeds in the motor vehicle registration fee requirement.

Your Committee finds, however, that the imposition of the surcharge on rental vehicles and tour vehicles is not appropriate at this time.

Accordingly, your Committee has amended this bill by:

- (1) Increasing the tax on liquid fuel other than diesel oil or aviation fuel from \$.11 to \$.16 for each gallon, and increasing the tax on diesel oil from \$.10 to \$.15 for each gallon;
- (2) Changing the amount of the motor vehicle registration fee to \$20;
- (3) Including mopeds in the motor vehicle registration fee requirement;
- (4) Deleting the surcharge on motor vehicle rentals and tour vehicles;
- (5) Deleting provisions that continue the transfer of general excise tax revenues to the state highway fund; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1021, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1021, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1184 Ways and Means on H.B. No. 1509

The purpose of this bill is to grant counties the ability to provide by ordinance for the creation of community facilities districts to finance special improvements and maintenance or to provide services in the county.

The bill also allows counties to levy a special tax, on property located in the district but exempts from the special tax property owned by federal, state and other county government entities. But if it is leased to a non-exempt entity, the owner of the leasehold or possessory interest is liable for the special tax.

Your Committee is familiar with and has recommended the passage of this measure through the companion bill S.B. No. 2137.

Your Committee has amended this bill by clarifying that a lessee of government property is liable for the special tax; and by making technical nonsubstantive amendments for purposes of style and clarity.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1509, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1509, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1185 Ways and Means on H.B. No. 917

The purpose of this bill is to designate the department of land and natural resources as the agency responsible for overseeing and administering the boating and coastal areas programs by transferring the functions, powers, duties, and personnel of the department of transportation relating to these programs to the department of land and natural resources, effective July 1, 1992.

The bill also provides for the appointment of a management team to develop appropriate transition plans, rework position descriptions, revise personnel classifications, develop an organizational structure, and attend to other administrative details to implement the transfer. The bill further appropriates \$150,000 out of the boating special fund to implement the transfer.

At its hearing on March 29, 1991, your Committee received testimony in support of this bill from the department of transportation, the department of land and natural resources, and the department of public safety. The department of transportation, however, recommended that several technical, nonsubstantive corrections be made.

After due consideration, your Committee has amended the bill to incorporate the technical corrections suggested by the department of transportation and to make other nonsubstantive amendments for purposes of clarity and style. Your Committee has also amended the bill by deleting the section regarding the conformance of the H.B. No. 1034 or S.B. No. 1038 and rewriting section 32 to provide for a more comprehensive conflict provision.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 917, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 917, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1186 Ways and Means on H.B. No. 1037

The purpose of this bill is to provide for the transfer of certain state parks to the counties and certain county parks to the State in order to better utilize the resources of each jurisdiction.

Your Committee amended this bill by deleting the transfer of the park at 16th avenue because a home for spouse abuse victims is being planned for construction on that site.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1037, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1037, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1187 Ways and Means on H.B. No. 736

The purpose of this bill is to provide an income tax credit to qualified resident taxpayers to satisfy the provisions of Article VII, section 6 of the Constitution of the State of Hawaii.

Your Committee finds that this tax credit is mandated by the state constitution and is in addition to the food/excise tax credit and any other credits allowed under the income tax law.

Your Committee has amended this bill by making technical nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 736, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 736, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1188 Ways and Means on H.B. No. 812

The purpose of this bill is to:

- (1) Decrease the amount of withholding required upon the disposition of Hawaii real property by a nonresident from nine per cent to five per cent of the amount realized; and
- (2) Provide that the transferor may apply for a withholding certificate if the transferor will not realize any gain with respect to the transfer, or if there will be insufficient proceeds to pay the withholding after payment of all costs.

Your Committee received unanimous testimony in support of this bill from the Hawaii Association of Realtors, the department of taxation, and The Chamber of Commerce of Hawaii.

Your Committee agrees with the testimony from the Hawaii Association of Realtors and joins them in urging the director of taxation to give special consideration to the current problems faced by Hawaii's servicemen and women under the discretionary powers granted the director pursuant to the proposed subsection (h) being added to section 235-68, Hawaii Revised Statutes, by this bill.

Your Committee has amended this bill by expanding the definition of "resident person" to include partnerships formed or registered under chapter 425 or 425D, Hawaii Revised Statutes. Your Committee has also made a technical nonsubstantive amendment for purposes of accuracy.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 812, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 812, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1189 Ways and Means on H.B. No. 838

The purpose of this bill is to repeal the state telecommunications site and equipment maintenance revolving fund. This bill requires the director of finance to defray the costs of maintaining radio transmitter and receiver sites on state lands through appropriations from the general fund.

Your Committee finds that thus far, the State has established in excess of one hundred thirty special and revolving funds administered by various state departments to support a number of programs and functions. These special and revolving funds generally provide automatic program funding without the benefit of the normal process of legislative budgetary review. Act 240, Session Laws of Hawaii 1990, directed the legislative auditor to evaluate all existing state special and revolving funds to determine whether their continued existence is justified and whether it would be more effective to fund these programs through appropriations out of the general fund. Accordingly, legislation was submitted by the legislative auditor to repeal the special and revolving funds under the departments of agriculture, budget and finance, and accounting and general services that failed to meet the standards of performance established by the legislature.

As received by your Committee, this bill fails to carry out the recommendations submitted by the legislative auditor. In this regard, your Committee has replaced the entire contents of this bill with the text of the senate companion bill previously reviewed and passed by your Committee.

As amended, this bill repeals:

- (1) The state telecommunications site and equipment maintenance revolving fund, and the Hawaii information network special fund under the department of budget and finance;
- (2) The King Kamehameha celebration fund, the central purchasing revolving fund, the state surplus property revolving fund, the public improvement revolving fund, and the state educational facilities improvement special fund under the department of accounting and general services; and
- (3) The agricultural park special fund, the irrigation system revolving fund, and the animal industry revolving fund under the department of agriculture.

Except for the agricultural park special fund and the irrigation system revolving fund, which are set to be repealed on July 1, 1993, the special and revolving funds identified in this bill are scheduled to be repealed on July 1, 1992.

This bill also amends the works of art special fund law by specifying that the provision requiring the transfer of one per cent of all state capital improvement appropriations to the fund, shall apply only to those capital improvement appropriations designated for new construction and not the renovation of buildings. This bill further amends the state parking revolving fund by authorizing the department of accounting and general services to utilize the fund to conform to the special fund requirements of section 39-62, Hawaii Revised Statutes, for the deposit of any proceeds received as the result of the issuance of any state parking facility undertaking or loan program revenue bonds.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 838, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 838, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1190 Ways and Means on H.B. No. 1057

The purpose of this bill is to provide greater flexibility in the management of the private activity bond volume cap by:

- (1) Allowing unrequired authorizations to revert to the State to be carried forward by the State as permitted by federal law;
- (2) Requiring each county to submit a written report by December 15 of each year, documenting the amount of bonds allocated for private activity pursuant to chapter 39B, Hawaii Revised Statutes; and
- (3) Establishing that unless the county or any issuer indicates prior to December 15 of each year that it intends to carry forward all or a portion of the county's allocation of private activity bonds in the year, the unassigned or unused allocation shall revert to the State on December 31 of that year.

Your Committee has amended this bill to allow the director of finance of each county to have the authority to notify the State of the county's intent to carry forward all or a portion of the county's allocation to private bonds, rather than requiring the county's governing body to notify the State by resolution. Your Committee has also made other technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1057, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1057, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1191 Ways and Means on H.B. No. 1855

The purpose of this bill is to amend section 235-2.4, Hawaii Revised Statutes, to allow Internal Revenue Code section 1034(a) (deferral of gain provisions), to apply in an unlimited manner to a taxpayer serving on extended active duty with the armed forces of the United States at the time of sale of the residence.

Your Committee agrees with testimony from the department of taxation concerning the administration of the provision, and has amended this bill to provide for proper administration of the provision by specifying that the eligible military personnel are those who, while serving in Hawaii, bought and sold a residence in Hawaii.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1855, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1192 Ways and Means on H.B. No. 1208

The purpose of this bill is to include "spirit cooler" in the definition of "cooler beverages" under section 244D-1, Hawaii Revised Statutes, relating to liquor tax law.

Your Committee has replaced the contents of H.B. No. 1208 with the contents of S.B. No. 1006, S.D. 3, to eliminate the cumulative taxation of carrier access services in the telecommunications industry. This would reduce the pyramiding effect of taxes on the cost of long distance telephone calls.

This bill accomplishes the stated purpose by excluding charges for carrier access services from the calculation of gross income on which the general excise tax is imposed for telecommunication services. This bill also defines "end user", "carrier", and "carrier services".

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1208, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1193 Ways and Means on H.B. No. 1682

The purpose of this bill as received is to allow deposits accompanying bids for public contracts to be satisfied by official bank checks (characterized as cashier's, treasurer's, or teller's checks).

Your Committee has amended the bill to provide, in addition, for changes to the public procurement process relating to the adoption of rules regulating expenditures and the exceptions to the requirement of public advertisement for sealed bids. Your Committee also has made a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1682, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1682, H.D. 1, S.D. 2.

Signed by all members of the Committee.

SCRep. 1194 Ways and Means on H.B. No. 2138

The purpose of this bill is to extend the current suspension of the liquor tax escalator from June 30, 1991 to June 30, 1993. This bill also eliminates references to "unit price" and "dollar volume" in sections 244D-1, 244D-6, and 244D-9, Hawaii Revised Statutes.

Your Committee has amended this bill by replacing its contents with the contents of S.B. No. 1812, S.D. 1. As amended, this bill amends the liquor tax law by:

- (1) Repealing the "escalator" clause applicable to the tax rates;
- (2) Repealing the definition of "unit price";

- (3) Setting new rates for all categories of liquor as recommended by the department of taxation; and
- (4) Adding a "drop-dead" clause.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2138, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2138, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1195 Ways and Means on H.B. No. 45

The purpose of this bill is to provide workers' compensation benefit rate adjustments to recipients who are permanently and totally disabled (PTD) effective January 1, 1992, and every ten years thereafter.

Section 386-35, Hawaii Revised Statutes, provides adjustments of weekly benefit payments to recipients who are determined to be PTD proportionate to \$215, the maximum weekly benefit available on June 18, 1980. Your Committee finds that benefit amounts derived in this manner are no longer sufficient or equitable, and that the amount payable to recipients who are determined to be PTD should be adjusted periodically to account in part for increases in the cost of living.

However, your Committee further finds that this bill in its current form, may be interpreted to provide benefit adjustments only to claimants determined or awarded by decision of permanent total disability as of January 1, 1992. Claimants determined or awarded by decision of permanent total disability after January 1, 1992 with a retroactive effective date prior to January 1, 1992 may not be entitled to the benefit adjustment until January 1, 2002.

Your Committee has amended this bill to avoid confusion by adding the phrase "January 1, 1992, and January 1 of every tenth year thereafter" to the effective date of the benefit adjustment and the date of the work injury.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 45, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 45, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 1196 Ways and Means on H.B. No. 608

The purpose of this bill is to establish an administrative revocation revolving fund and to appropriate funds for fiscal years 1991-1992 and 1992-1993, to be expended by the judiciary, for the implementation of the administrative license revocation law including equipment, training, public information and education, and the hiring of necessary staff exempt from the civil service law.

Your Committee amended this bill by deleting section 1 which establishes the administrative revocation revolving fund and section 4 which provides Ramseyer directions. Sections were accordingly renumbered. Your Committee has also amended this bill by replacing the amount of the appropriation with blank amounts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. 608, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 608, H.D. 2, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 1197 Ways and Means on H.B. No. 665

The purpose of this bill is to provide \$36,000 to establish a permanent professional position to administer the registration of condominium projects and limited-equity cooperatives, the processing of public reports, and the implementation of the owner-occupant provisions of chapter 514A, Hawaii Revised Statutes. The bill also appropriates \$8,000 for office equipment for the new permanent position.

Your Committee finds that this position will aid in expediting the new condominium project review process, which has become increasingly complex due to new disclosure laws, court decisions, liability concerns, and numerous other factors.

Your Committee has amended the bill by making a technical nonsubstantive amendment.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 665, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 665, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Hagino and Levin.

SCRep. 1198 Ways and Means on H.B. No. 923

The purpose of this bill is to establish the statutory authority to implement an integrated state asbestos program.

Your Committee finds that this bill will enable the state asbestos program to obtain delegation of the federal program, which manages asbestos in private nonprofit schools and all public schools, and also regulates the demolition and renovation of buildings containing asbestos.

Your Committee received testimony in support of this bill from the department of health.

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 923, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 923, H.D. 1, S.D. 2.

Signed by all members of the Committee except Senator Levin.

SCRep. 1199 Ways and Means on H.B. No. 966

The purpose of this bill is to appropriate \$568,486.91 for fiscal year 1991-1992 to be deposited into the criminal injuries compensation fund and expended by the department of public safety pursuant to chapter 351, Hawaii Revised Statutes.

Your Committee notes that it is familiar with and has recommended passage of this measure through the companion bill, S.B. No. 1294.

Your Committee has amended this bill by making a technical nonsubstantive change.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 966, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 966, S.D. 1.

Signed by all members of the Committee except Senator Levin.

SCRep. 1200 Ways and Means on H.B. No. 1116

The purpose of this bill is to appropriate funds to update, clarify, and strengthen the regulatory framework of financial institutions.

Act 128, Session Laws of Hawaii 1990, appropriated initial funds for the department of commerce and consumer affairs to commence a comprehensive review of the State's laws relating to financial institutions. These laws are among the oldest in the nation and have been amended in a piecemeal fashion, sometimes without regard to other state and federal laws. This bill would allow the department to continue its review and update to address the recent developments in the financial industry.

Your Committee has amended this bill by making a technical nonsubstantive change on page 2, line 1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1116, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1116, S.D. 1.

Signed by all members of the Committee except Senator Levin.

SCRep. 1201 Ways and Means on H.B. No. 1685

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

Specifically, this bill authorizes the issuance of special purpose revenue bonds in the sum of:

- (1) \$39,000,000 to the Queen's Health Systems and its not-for-profit subsidiary for a skilled nursing facility, a Halawa laundry and storage facility, and other long-term care facilities; and
- (2) \$20,000,000 to the G.N. Wilcox Memorial Hospital or G.N. Wilcox Health Center Properties to finance the purchase of the Kauai Medical Group building, refinance short-term bond equipment purchases, construct a parking facility and expand ancillary and support space, renovate an emergency room, and purchase imaging and diagnostic equipment.

Further, the bill authorizes the issuance of special purpose revenue bonds in an amount not to exceed \$135,000,000 to assist the Episcopal Homes of Hawaii, Inc., to plan, design, and construct a senior citizens lifecare retirement community.

Your Committee finds that the issuance of the special purpose revenue bonds is in the public interest and for the public health, safety, and general welfare.

Your Committee notes that it has already heard testimony and recommended passage of this measure through the companion bill, S.B. No. 1516, S.D. 1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1685, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 1202 Ways and Means on H.B. No. 2052

The purpose of this bill is to require the department of agriculture to conduct an agricultural park pilot program wherein lessees participating in the project would cultivate crops identified in cultivation guidelines developed by the department. This bill also requires the department to submit an annual report to the legislature with respect to the status of the project.

Your Committee finds that the lands in Hawaii's agricultural parks should be utilized to their fullest potential. Unfortunately, agricultural park lessees often lack the resources to determine the crops or uses that would serve to benefit them the most. This bill requires the department of agriculture to conduct a pilot project at an agricultural park site to determine the feasibility of establishing cultivation guidelines for agricultural park lessees. Under the program, lessees would cultivate the crops or uses identified in cultivation guidelines established by the department.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2052, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Senator Levin.

SCRep. 1203 Ways and Means on H.B. No. 139

The purpose of this bill, the General Appropriations Bill of 1991, is to appropriate funds for the programs of state government for the 1991-93 fiscal biennium.

APPROPRIATIONS AND EXPENDITURE POLICIES

Hundreds of individual program decisions have gone into the development of the General Appropriations Bill, which is the most important recurring bill to be considered and enacted by the Legislature every two years. These program decisions, made by your Committee and ultimately to be considered jointly with the House of Representatives, are rooted in the traditional legislative power to make appropriations, a power which is exclusively that of the Legislature and which needs to be carefully safeguarded from usurpation.

Underlying the numerous program and appropriation decisions of your Committee has been the basic question whether those decisions will be faithfully executed by the agencies of the executive branch. The conclusion reached by your Committee is that more and more, appropriations are not being executed in the manner intended by the Legislature but in a manner decided at the discretion of the Governor, the Department of Budget and Finance, and the expending agencies.

The power of the Legislature to make appropriations has been outweighed by the power of the executive branch to execute those appropriations, so much so that your Committee has decided that significant changes must be made to the policies governing appropriations and expenditures if the appropriations authority of the Legislature is to be upheld and if the Legislature is to function effectively as the people's representatives.

There is no clearer declaration of the Legislature's appropriations authority than the state constitutional provision which states: "No public money shall be expended except pursuant to appropriations made by law." It is a concept which is derived from a similar provision in the U.S. Constitution and which in turn finds its origins in the struggle over the power of the purse between English parliaments vs. English monarchs and American colonial legislatures vs. royal governors.

To the extent that the Legislature insists and has the resourcefulness to see that its appropriations decisions are faithfully executed, it safeguards its legislative authority. But to the extent it allows the executive branch to modify or nullify its appropriation decisions, its legislative authority is thwarted and its standing as a policy making body undermined and diminished.

Consider the matter of transfers of appropriations from one program to another which has long been a vexing problem to the Legislature. The basic statutory policy is specified in Section 37-74(d), HRS, which states: "No appropriation transfers or changes between programs or agencies shall be made without legislative authorization. Authorized transfers or changes, when made, shall be reported to the legislature." Over the years, however, the executive branch has argued that it needs to have flexibility to make expenditures because requirements and circumstances can change over the course of the budgeting and appropriations period. In response, the Legislature relaxed the basic legislative policy governing transfers and has allowed some degree of flexibility in making them. Early on, it allowed transfers provided that the transfers were approved by the presiding officers of the Legislature. The approval requirements were ignored by the executive branch, and subsequently, the Legislature was faced with still more requests for flexibility.

In the general appropriations bill submitted by the administration and in the House draft of the bill, the following are among the provisions which would advance the executive branch's authority in executing appropriations and undermine the Legislature's authority in making them:

To the Department of Human Services and the Department of Public Safety, authority is to be accorded to transfer positions between programs.

Appropriations for the Governor and the Lieutenant Governor are to be expended at their discretion.

Notwithstanding any position ceiling, the governor may transfer any positions or funds from any state program for the purpose of establishing and maintaining statewide data processing and communication systems.

The governor is authorized to transfer funds between appropriations within an expending agencies for operating purposes.

Each department or agency is authorized to transfer positions with the approval of the Governor or the Director of Finance.

Where a program is financed by the general fund and another source, excess funds from that source can be expended if approved by the Governor or the Director of Finance.

Programs supported by revolving, special or trust funds may expend funds above the appropriated amounts if approved by the Governor or the Director of Finance.

Individually and with greater force collectively, the foregoing provisions, if enacted, would seriously curtail the appropriations authority of the Legislature. Expenditures would not be made pursuant to legislative appropriations, as the Constitution intends, but as the Governor, Director of Finance, and the agencies determine at their discretion. Another undesirable consequence is that agencies do not have to do any careful budgeting beforehand given the many remedies available to them to shape the budget after appropriations are made. In effect, the flexibility of budget execution obviates the need to engage in systematic budget preparation. Indeed, budget details for a number of programs have not been available in the current session when sought by your Committee.

After reviewing all of these matters, your Committee has decided that the accountability of government is best served by removal or substantial changes to those provisions which have hitherto provided the administration with such a range of flexibility to execute the budget. With such changes to the bill, your Committee believes that legislative authority over appropriations will be restored and maintained as the Constitution intends and as the public's interest requires.

Your Committee reports on one other important and specific aspect concerning executive responsiveness to legislative policies. In the 1990 Supplemental Appropriations Act, all executive departments were specifically directed to prepare reports on all computer systems, information systems and technology projects planned for the 1991-93 fiscal biennium which are projected to cost over \$100,000. The purpose of such reports is to ensure that the basic elements of planning for such projects have been completed and that the projects are fully justifiable. The response to this legislative direction has been inadequate, and therefore, funding will not be provided for various projects until the reports are submitted and provide a firm basis for the appropriation requests.

BUSINESS AND ECONOMIC DEVELOPMENT

Your Committee supports the development of a diversified economic base; especially industries that are non-polluting. To that end, your Committee has provided funding to further develop Hawaii's High Tech Industry and the promotion of Space. Additionally, the agriculture industry will also receive support to enhance the protection of our unique agriculture commodities.

Space Industry. In commemoration of the late Senator Spark Matsunaga, who was the force behind designating 1992 as International Space Year, your Committee is providing \$175,000 in FY 91-92 and \$50,000 in FY 92-93 to promote and highlight International Space Year 1992 activities. The activities planned underscore Hawaii's strong support and unique role in the area of space, while encouraging public participation and awareness about the history and future of space. Additionally, \$25,000 in FY 91-92 and \$63,000 in FY 92-93 is being provided for Future Flight HAWAII, a pilot space camp for elementary and secondary school students on the Big Island. The camp will emphasize the importance of space education and cover disciplines relating to space explorations, math and engineering.

High Technology. Much has been accomplished in the realm of small businesses receiving Federal Funding for research projects. To continue our support for Hawaii's small businesses, your Committee is providing \$250,000 in FY 91-92 and \$250,000 in FY 92-93 for the Small Business Innovation Research Grant Program (SBIR). Funding will allow the program to continue awarding State Grants to eligible companies (including neighbor island firms), helping them to advance forward in research and prototype development projects.

Agricultural Inspection Services. The introduction of pests and diseases continues to be a primary concern for Hawaii. Therefore, your Committee is providing \$289,310 in FY 91-92 and \$300,895 in FY 92-93 for additional positions to strengthen the plant quarantine inspection services at Honolulu International Airport. This will help control the number of pests and diseases from entering the State so we can continue to protect our unique and diversified agricultural commodities.

Capital Improvements. \$10,100,000 is provided for land acquisition and construction for livestock and agricultural parks. \$3,400,000 is provided for continual support of geothermal development. \$3,000,000 is provided for Phase I construction costs for a film studio on Oahu.

EMPLOYMENT

Your Committee recognizes the need to boost the workforce by enhancing job training programs for entrants into the workforce, as well as assisting those seeking better job opportunities. Additionally, your Committee also wants to ensure that employers are respecting the rights of all workers to receive fair and equitable treatment.

JobHelp Store. \$1,500,000 is provided for expansion of the JobHelp Store to deliver training and job placement services to target groups of Asian and Pacific Island immigrants.

Wage Standards and Fair Employment Practices. \$265,635 is provided to ensure that employee rights and benefits are protected through the enforcement of Chapter 104, HRS, which governs prevailing wages and hours of construction workers.

TRANSPORTATION

Capital improvements. Your Committee recognizes the continued deterioration of state highways and the need for additional thoroughfares due to increased traffic congestion. Thus, \$250,000,000 is being tapped from the Duty Free special fund for various projects.

ENVIRONMENTAL PROTECTION

Your Committee wants to ensure the protection and conservation of our State's natural resources. Thus, support has been focussed on the disposal of wastewater and solid waste management, as well as the treatment of leaking underground storage tanks. Additionally, your Committee has provided support for alternative methods of water development and for public education related to hunting within our conservation areas.

Wastewater Treatment. 5 positions and \$196,694 are provided in FY 91-92 and 5 positions and \$195,109 are provided in FY 92-93 to ensure that the disposal of wastewater does not contaminate our water resources. Further, authorization for expenditure of additional Federal funds of \$45,578 is provided in FY 91-92 and \$47,857 in FY 92-93 for the expansion of program functions and activities required under the federal Clean Water Act. In order to continue the implementation of the water quality program as directed by the federal Clean Water Act as well as for the administration of wastewater activities, authorization for expenditure of Federal funds of \$505,669 is provided in FY 91-92 and \$530,873 in FY 92-93.

Solid Waste Management. 3 positions and \$606,334 are provided in FY 91-92 and 4 positions and \$124,432 are provided in FY 92-93 to establish the integrated solid waste management program. This integrated approach to managing solid waste coordinates multi-tracked activities involving waste minimization, energy disposal, and land disposal.

Underground Storage Tank Program. 4 positions and \$133,517 are being provided in FY 91-92 and 4 positions and \$128,977 in FY 92-93 to enhance this program to fully meet federal regulations.

Demonstration Desalting Plant. Your Committee is providing \$884,000 in FY 91-92 and \$764,000 in FY 92-93 to operate a 5-year demonstration desalting plant. Data collected from this project will help determine the most feasible method of converting brackish water into drinking water as the State continues to look at alternative methods of producing fresh water.

Hunter Education Program. Recognizing the exceptional quality of the Hunter Education Program, your Committee is providing funding of \$48,616/\$83,232 and 3 positions over the biennium. This will give other resident groups the opportunity to experience the program's exceptional quality of instruction in conservation and outdoor safety education.

Natural Area Reserve System. The State's efforts to continue protecting and managing our threatened and endangered plants and species is being supported by your Committee. \$198,739 and \$141,314 and 9 positions over the biennium will allow the natural area reserve system (NARS) program to establish a working crew for each island. Response from the public in volunteering for reserve management activities has also been great, indicating strong support for this program. With over 75% of all native plants located on these reserves, we can continue to be assured that these areas will be protected for future generations to experience and enjoy.

Cleaning and Maintenance of Heeia Stream. Over the years, the flourishing of mangrove in Heeia stream has caused blockage and a diversion of stream flow. To ensure that the stream continues to flow freely, your Committee is supporting a project to clean and maintain Heeia Stream by providing \$200,000 in FY 91-92. This will prevent potential flooding and damage to nearby residents and Heeia Wetlands.

Capital improvements. An additional \$13,000,000 will be provided to enhance the State Wastewater Revolving Fund to assist the counties in the construction of wastewater treatment facilities.

HEALTH

Your Committee is mindful of the many pressing needs in the area of health services. In this regard, your Committee provided additional support to enhance the State's community hospital system and provided subsidies for private medical facilities operating in rural areas. Further, mental health service delivery will be greatly enhanced by the expansion of staff and programs at Hawaii State Hospital. Mental health services to children and adolescents will be enhanced through the placement of additional resource teams throughout the State. Finally, additional support is given for community-based mental health services and substance abuse education and treatment programs.

Community Hospital System. The community hospitals serve areas of our State in which there are no other available services. Thus, they are an integral part of our statewide health care delivery system. Your Committee has provided additional general fund support in the amount of \$1,746,180 in FY 91-92 and \$4,555,110 in FY 92-93. However, Your Committee is also concerned about the many unbudgeted expenditures which disregard the special fund expenditure ceiling and result in deficit spending. Your Committee wants to emphasize the need for hospital administrators to actively collect revenues due from delinquent accounts, so that the hospitals will not continually be faced with operating at a deficit.

Subsidies to Private Medical Facilities. \$2,630,076 is provided in FY 91-92 and \$814,610 in FY 92-93 for Kahuku Hospital; \$656,148 is provided in FY 91-92 and \$697,625 in FY 92-93 for Molokai General Hospital; and \$813,117 is provided in FY 91-92 and \$834,961 in FY 92-93 for a 24-hour, year-round emergency room at Waianae Coast Comprehensive Health Center.

Emergency Medical Equipment and Training. \$275,000 is provided in FY 91-92 and \$292,875 in FY 92-93 for a roving basic life support ambulance for Honolulu; \$866,667 in FY 91-92 and \$918,667 in FY 92-93 is provided for three transfer ambulances on the island of Hawaii; and \$220,958 in FY 91-92 and \$172,556 in FY 92-93 is provided to enhance 911 equipment and training to improve response times for high risk medical incidents.

Hawaii State Hospital. 99.50 positions and \$5,265,518 are provided in FY 91-92 and 198.50 positions and \$8,574,872 are provided in FY 92-93 to address the seriously delinquent conditions caused by inadequate facilities and services presently plaguing the State Hospital. Emphasis has been placed on the provision of case management, psychosocial rehabilitation, housing and follow-up services.

Mental Health Services to Children and Adolescents. 24.50 positions and \$632,824 are provided in FY 91-92 and 28.50 positions and \$806,035 are provided in FY 92-93 for non-professional and professional positions with the Children's Teams to enhance the delivery of services at various health centers and meet increasing demands for services in the Leeward area.

Community Services For Developmental Disabilities and Mental Retardation. \$915,457 is provided in FY 91-92 as a supplemental match to capitalize on federal Medicaid funds which support deinstitutionalization programs.

Baby Safe Program. \$355,590 is provided in FY 91-92 and \$355,590 in FY 92-93 to address the early identification and treatment of substance abuse during pregnancy. This program complements the "Healthy Start" system of services to enhance family function, improve child health, and reduce child abuse and neglect.

Capital improvements. Your Committee is providing \$4,800,000 for Honokaa's Hospital, \$1,200,000 for the Kauai Friendship House, and \$5,000,000 for Kauai Veterans Medical Building. Additionally, \$12,500,000 is provided for the construction of the North Hawaii Community Hospital on the island of Hawaii.

SOCIAL SERVICES

Your Committee agrees that programs to meet basic human needs for housing and sustenance are paramount. Thus, various social service programs are being initiated and others enhanced to address the plight of our homeless families and others dependent upon government assistance. These programs will hopefully alleviate the severe consequences suffered by those not able to find adequate resources to sustain their families. New programs will provide child care for low-income families, address the growing problem of illiteracy, and assist families in securing affordable rental housing. Enhanced program support is being given to ensure payment of increased social security benefits to the disabled, provide coverage of health and medical care services for Medicaid recipients, and to fully implement the JOBS federal program to encourage self-sufficiency for AFDC recipients. Finally, your Committee is providing additional funding for the development of a financing strategy to address the impending long-term care crisis facing our residents.

Homeless Emergency Assistance. \$3,750,000 is provided in FY 91-92 and \$3,725,000 in FY 92-93 to provide emergency funds to homeless families, or families at risk in becoming homeless. These funds will provide immediate relief for the payment housing security deposits, gas or electricity deposits, current rent, or one month of rent past due.

State and Federal Assistance for the Homeless. \$3,750,000 is provided in FY 91-92 and \$3,750,000 in FY 92-93 to establish a rent stipend program, provide resources to nonprofit agencies for outreach and emergency assistance, and to administer an emergency grant program.

Child Care and Child Welfare Assistance. \$3,014,292 is provided in FY 91-92 and \$4,201,908 in FY 92-93 to implement a comprehensive child care services program. Open Doors is a program, which provides tuition assistance for low-income families with preschool age children. Additional support of \$6,084,399 in FY 91-92 and \$6,388,617 in FY 92-93 will enhance purchase of service contracts for child welfare services which assist children-at-risk and abused children living in a safe and secure environment.

Office of Youth Services. 17 positions and \$1,056,070 are provided in FY 91-92 and 17 positions and \$1,032,658 are provided in FY 92-93 to fully establish the Office of Youth Services as mandated by Act 375-89, SLH.

Family Literacy Project. \$406,200 is provided in FY 91-92 and \$180,700 in FY 92-93 to alleviate the growing problem of illiteracy in Hawaii. A portion of these funds will be used to develop a family literacy project in cooperation with the department of Education and the University of Hawaii.

Payments to Assist the Aged, Blind or Disabled. \$1,229,065 is provided in FY 91-92 and \$3,216,697 in FY 92-93 due to the increase in the federal poverty level and a statewide increase in caseload activities.

Health Care Payments to Medicaid Recipients. \$1,229,065 is provided in FY 91-92 and \$3,216,697 in FY 92-93 to meet federal mandate of OBRA '89 which expanded Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services to Medicaid eligible children.

Job Opportunities and Basic Skills (JOBS) Program. 25 positions and \$7,507,172 are provided in FY 91-92 and 25 positions and \$8,865,626 are provided in FY 92-93 to fully implement JOBS as mandated by Federal law. JOBS program objectives focus on assessment, training, and job placement along with case management to encourage financial independence for recipients of government assistance.

Long-Term Care Financing Strategy. \$500,000 is provided in FY 91-92 and \$500,000 in FY 92-93 for the development of a comprehensive, statewide financing strategy for the provision of long-term care services. The financing of long-term care is an impending problem which requires our most urgent attention.

Capital Improvements. Your Committee focused on the housing crisis by supporting the following projects: \$6,000,000 for homeless shelters; \$9,210,000 for the purchase of Wilikina Apartments; \$6,450,000 for the development of low-income public housing; \$25,000,000 for the development of Hawaiian Home Lands. Additionally, \$8,075,000 is provided for renovation of the Hawaii Youth Correctional Facilities complex.

HAWAIIAN HOME LANDS

Your Committee supports the program initiatives which includes providing funds for program support, staff improvements, equipment purchases and technology enhancements. Funds of over \$400,000 have been provided to accelerate improvements for homesteaders and to begin implementation of plans to increase housing opportunities. Your Committee has plans to increase housing opportunities. Your Committee has also allocated 5 positions and services.

LOWER EDUCATION

Hawaii's future will one day be in the hands of today's children. Your Committee has assumed the responsibility reassessing the programs of the past to develop new, reformative approaches to plan for the years to come. An array of different programs were researched and evaluated for their worth and impact on the existing educational system, and those proposals with the potential of addressing the most crucial needs were provided the necessary funding for implementation of expansion.

The basic needs and concerns relating to a clean and safe school environment have been addressed, along with maintaining the classroom essentials by accommodating such items as enrollment increases and new/expanded facilities. Programs that have become a hallmark of our educational system were also provided ongoing funding.

Your Committee has diligently worked to create a package that would best reflect the goal of having an educational system that is second to none. The following highlights reflect work done today for a better tomorrow.

Vocational Education. Utilizing the latest technology is a key factor in keeping up with the many advances, discoveries, and changing times of today. The agriculture and electronics classes will utilize funds of approximately \$838,335 over the biennium to update and enrich current programs. Twenty-seven schools with agriculture programs and ten schools with electronics programs will benefit from: in-service training, additional curriculum materials, and modern equipment. These programs will provide students with many hands-on, industry standard classroom experiences to explore opportunities in these fields.

Educational Innovation. Your Committee reaffirms its support for innovative programs which address specific student needs such as the Honolulu Middle Schools Project, Team Teaching, Schools within Schools, and the At Risk Counseling Program. Funding of \$444,588 in FY 91-92, and \$497,212 in FY 92-93 will help continue these creative, progressive trends into the upcoming years.

School-Community Based Management (SCBM). This innovative approach to decentralized management has spurred both thought and creativity within each school that has submitted their intent to participate in this program. SCBM is a team effort that promotes flexibility and accountability in working towards making the Hawaii State Education System second to none. Recognizing these advances, your Committee has provided \$300,000 in FY 91-92 for an incentive grants program. These funds provide each school with the necessary supplement needed for research, development, and implementation of new and innovative approaches to teaching.

Summer School Programs. To address the increases in enrollment and the growing number of tuition waivers, funding in the amount of \$611,600 over the biennium has been provided for the regular program.

Additionally, to accommodate handicapped students in the special education program, your Committee has provided funding of \$404,688 over the biennium for the increased number of tuition waivers.

Special Certification Program. The shortage of teachers in the areas of mathematics, science, counseling, and special education is a statewide concern. Recognizing the challenge of hiring qualified staff in these disciplines, your Committee has provided \$479,400 over the upcoming biennium for a Special Certification Program to work in conjunction with the University of Hawaii's requirements for these specialty fields. The Department of Education's goal is to recruit 345 prospective teachers into this program which will take approximately fourteen to twenty-four months to complete depending on the category selected. The success of this effort will provide a pool of qualified, certified teachers for our public schools.

Criminal History Checks. The safety of one's own children is foremost in each parent's mind. Your Committee recognizes the importance of a safe school environment, and has therefore provided funds in the sum of \$439,239 over the biennium to conduct more than 9,000 criminal history checks on employees. Inquiries will be made utilizing the FBI's nationwide fingerprint files to help identify people that have a criminal history. With this initial funding the Department of Education will be able to work towards assuring the highest degree of safety and security in schools.

Science Education Equipment. Your Committee recognizes the challenges facing the school science programs, and has added funds of approximately \$929,000 over the biennium to address several shortage areas. These funds will be utilized to purchase items that enhance the safety of students participating in science programs, and will provide the additional resources necessary to purchase the most current technology. The Marine Science Program at Kailua High School was included in this request so they may purchase their much needed boat.

Health Career Academy. Since 1988, the Farrington High School has conducted a successful program called project Healthstart. In accord with this project and the science and technology learning center theme at Farrington High School, your Committee has provided funds of approximately \$364,000 over the fiscal biennium for a Health Career Academy. Students participating in this program will be exposed to the many opportunities available in the nursing profession.

Repair and Maintenance of Public Schools. In a continued effort to provide safe, functional, properly equipped schools, \$57 million has been provided for repair and maintenance programs. Eight additional positions and funds of approximately \$592,000 over the biennium will help address the preventive maintenance needs of the neighbor islands with the hope of reducing contractual service costs, and increasing the response time for emergency work.

A new and innovative idea to help reduce the response time for minor, general repairs are being implemented as a super-handyperson pilot program. One temporary position and funds in the sum of \$55,000 for the upcoming biennium is being provided to address the needs of the Farrington Complex. This position will be responsible for all basic repair and maintenance work of these schools.

School Clerical Staff. Your Committee recognizes the need for clerical staffing, and has provided funds of approximately \$933,000 over the biennium along with 30 positions hoping to provide relief from the tremendous workload. Special attention was given to smaller schools with enrollments of less than 499 students. These schools currently have only one School Administrative Services Assistant, and could use the additional help.

Classroom Cleaners and School Custodians. The minimum needs for classroom cleaners and school custodians are being addressed by funding at the Governor's recommended level. Although 21.5 positions and approximately \$974,000 are being provided over the upcoming biennium, this does not address the bigger and broader issues. Many schools, especially those in rural areas desperately need relief.

Your Committee is requesting the Department of Education to conduct a study to determine the proper course of action necessary to address this problem. The Department of Education has been asked to look at the problem on a statewide basis and establish priorities. Many alternatives for additional help will be examined, with recommendations being submitted prior to the 1992 regular legislative session. We hope that this study will identify areas in need of funds and staff so that classrooms can be kept in a clean, sanitary, and presentable condition.

Capital Improvement Projects. Your Committee has provided continued support of \$90 million for each year of the biennium for the Educational Facilities Special Fund.

HIGHER EDUCATION

Academic Advising. Recognizing the importance of undergraduate academic advising and counseling, your Committee has provided for 18 positions and funding of more than \$1.6 million for the system. In addition, 7 positions and funding of more than \$400,000 were provided for systemwide student support services and student retention.

Affirmative Action. Your Committee supports strengthening the equal employment opportunity and affirmative action program. Funding of over \$550,000 and 6 positions over the biennium has been provided for a systemwide program to promote nondiscrimination practices within the university community.

Infrastructure Enhancement. Funding of nearly \$1.3 million has been provided for numerous infrastructure projects scheduled for completion within the next two years. The Committee also provided 20 positions primarily to provide for building maintenance for the new buildings.

Effectuate Separation of Hawaii Community College and UH Hilo. To better specialize higher education on Hawaii and address the varied missions of UH Hilo and Hawaii Community College, your Committee has provided 17 positions and nearly \$600,000 to effectuate the separation. Committee supports the initiative to better serve those seeking post secondary education through varied means of instruction.

Program Shortages. In response to meeting the teacher, nursing, social work, and child care shortages, your Committee has provided 22 positions and over \$1.08 million for the biennium.

Instructional Programs. Your Committee has provided 15 positions and funding of over \$800,000 to meet accreditation concerns, curriculum planning, and strengthening instruction.

Research and Training. To continue excellence in research, your Committee has provided 12.5 positions and nearly \$1.3 million over the biennium. Astronomy, biomedical and cancer research, ocean and earth sciences and technology, and new initiatives geographically specific to Hawaii are some of the research and training programs included for funding.

Capital Improvement Program. Your Committee has provided the following:

- \$4.5 million to complete the School of Hawaiian Studies;
- \$4.5 million for the Student Services Center;
- \$23.1 million for Kapiolani Community College, Diamond Head Campus; and.
- \$11.0 million for modifications for the handicapped for the various campuses.

Special Events Arena. Your Committee is constantly faced with the challenge of selecting the most appropriate, and beneficial projects with the limited resources available. In evaluating the request for the Special Events Arena, your Committee has considered the significance of providing the University of Hawaii with this type of facility. In light of the tremendous demands for improved educational structures throughout the system, the decision was made to defer the construction of the 10,000 seat arena. Many factors justify this decision such as: the tight implementation schedule and the shortage of funds to fully construct the arena and the necessary parking.

Funds in the amount of \$2,305,00 will be utilized to plan and design a smaller, 4,000 to 6,000 seat arena. The remaining resources will be used to address your Committee's commitment to improving University facilities which will benefit the faculty, and most importantly, the students. The following project highlights are recommended for funding by your Committee:

- \$8.4 million for the Webster and Spalding Halls/School of Nursing Facility;
- \$16 million to construct Phase I of the College of Education Complex;
- \$5.3 million for the Food Service Facility;
- \$1.2 million for Hilo Research and Technology Park;

- \$7.6 million for Windward Community College Campus Development; and
- \$6.4 million for Maui Community College Campus Development.

CULTURE AND RECREATION

Your Committee wants to encourage the preservation of our State's natural areas for the enjoyment of our residents. Your Committee further wants to ensure the preservation of our historic sites and communities.

Na Ala Hele program. Your Committee would like to see the Na Ala Hele Program fulfill its legal mandate of implementing a statewide trail and access program and is funding \$313,206/\$271,096 and 9 positions over the biennium. This will provide a working crew for each island whereby, ground work implementation and demonstration trails can be established. Hawaii's visitors and residents alike, will then have a chance to enjoy and experience the outdoor recreational opportunities of this program.

Special Repair & Maintenance for State Parks. Your Committee supports the funding of \$193,000 in FY 91-92 and \$212,520 in FY 92-93 to revitalize, repair and maintain popular State Parks and Campsites (Malaekahana, Sand Island, Waianapanapa, Kokee, Wailua, Wailoa Center, Kona, etc). This will allow visitors and park users to continue enjoying the recreational facilities being provided at these designated State Parks.

Burials Program. To honor and preserve our Native Hawaiian History and Culture, your Committee is providing \$180,000 in FY 91-92 for Osteological Analysis and Reinterment work, allowing previously excavated remains to be reburied at appropriate burial sites. This is a one-time expense which will take one year to complete.

Main Street Hawaii. Since the inception of this program, Hawaii has seen the revitalization and preservation of numerous local communities throughout the State. Recognizing the need to keep these local communities alive, as well as to assist other individual towns, your Committee supports Main Street Hawaii's efforts to preserve these towns by providing \$300,000/\$300,000 and 2 positions over the biennium to administer the program. A cohesive policy approach will be established by having a permanent administrative staff for this program.

PUBLIC SAFETY

The Department of Public Safety is undergoing a critical phase in its reorganization. Recognizing the department's need for continued legislative support, your Committee has provided funding for the following:

Salary adjustments for Corrections Officers. \$2,894,047 is provided in FY 91-92 and \$3,096,631 in FY 92-93 for shortage category and retention differentials.

Substance Abuse Treatment. For the administration and staffing of the Substance Abuse Treatment Program, \$424,858 is provided in FY 91-92 and \$424,918 in FY 92-93. Additionally, \$656,808 in FY 91-92 and \$689,079 in FY 92-93 is provided for the purchase of related services.

Treatment for Sex Offenders. For the administration and staffing of the Sex Offender Assessment and Treatment Program, \$139,698 is provided in FY 91-92 and \$133,581 in FY 92-93. Additionally, \$202,000 is provided in FY 91-92 and \$214,815 in FY 92-93 for the purchase of related services.

Inmate Education Programs. For the vocational training and the formal education of inmates, \$2,004,239 is provided in FY 91-92 and \$1,896,558 in FY 92-93.

Statewide Library Services. To support the ongoing efforts of the State Librarian, \$987,897 is provided in FY 91-92 and \$835,993 in FY 92-93.

Health Care Services. To provide adequate health care services for inmates, \$7,375,734 is provided in FY 91-92 and \$7,683,748 in FY 92-93.

Special Repair and Maintenance. For the repair and maintenance of all correctional facilities and centers, \$1,500,000 is provided in FY 91-92 and \$500,000 in FY 92-93.

Capital Improvements. \$2,450,000 is provided for Waiawa Correctional Facility; \$3,340,000 for Kauai Community Correctional Center; and \$3,445,000 for Halawa Medium Security Facility.

INDIVIDUAL RIGHTS

Your Committee continues to support programs which ensure that individuals are protected through the establishment and enforcement of appropriate regulations.

Civil Rights Commission. \$27,076 in FY 92 and \$28,430 in FY 93 is provided to expand the activities of the Commission. This includes the transfer from the Department of Labor of the Fair Employment Practices Branch and related federal funds. The Commission is charge with assuring the rights of the public against discrimination practices in employment, housing, public accommodations, and access to State-funded services.

Legal Assistance in Criminal Actions (Public Defender). 4 positions and \$819,483 are provided in FY 91-92 and 25 positions and \$664,285 are provided in FY 92-93 for additional attorneys and salary adjustments in order to recruit and retain qualified staff.

Public Utilities Commission. 9 positions and \$171,270 are provided in FY 91-92 and 9 positions and \$368,115 are provided in FY 92-93 to assist the Commission in meeting workload increases resulting from new telecommunications and energy regulatory programs established by Act 49-90, SLH.

Pesticide Analysis Program. Your Committee recognizes the importance of pesticide analysis and regulation work and provided funding of \$499,475/\$164,920 and 4 positions over the biennium to establish a pesticide analysis program within the Department of Agriculture. This on-site program will allow the Department of Agriculture to screen and analyze a larger number of pesticides and commodity feed, and respond to problems in a timely manner.

GOVERNMENT-WIDE SUPPORT

Your Committee has provided assistance to enhance the direction and coordination of statewide services and programs.

Legal Services. \$542,369 is provided in FY 91-92 and \$733,819 in FY 92-93 for the hiring of additional deputy attorney generals to address caseload increases. \$200,000 is provided in FY 91-92 as a one-time appropriation to monitor and study the petroleum industry.

State Assistance for Drug Enforcement. \$53,000,000 in additional state funds are provided as a match to obtain federal funds for drug enforcement programs.

Mass Transportation. \$53,000,000 is provided in FY 92-93 to provide financial assistance to the counties for the development of mass transportation as mandated by Act 183-90, SLH.

Satellite State Information Offices. Your Committee supports the establishment of 5 Satellite State Information Offices and is providing funds of \$303,000/\$323,000 and 10 temporary positions over the biennium to establish these offices, statewide. Response from the public has been positive with the opening of the first office in Kaneohe. The State hopes to make these pilot information offices permanent in the future, providing convenience, a wealth of information, assistance, and support for the people of Hawaii.

Research on Agricultural Commodities. Protecting our agricultural commodities from numerous pests and diseases is vital to the economic prosperity of this industry. Funding of \$5,779,323 in FY 91-92 and \$5,256,839 in FY 92-93 is being provided by your Committee to continue research on pest/disease management activities for over 30 different commodities through the Governor's Agriculture Coordinating Committee. Research done now can help save our precious agricultural commodities from further deterioration and damage later.

Centralized Telecommunications System. 4 positions and \$789,380 are provided in FY 91-92 and 4 positions and \$756,796 are provided in FY 92-93 to expand the microwave telecommunications network.

Capital Improvements. \$35,900,000 for the continued revitalization of the Kakaako Community Development District and Kakaako Waterfront project; \$19,000,000 to further supplement the Resource Land Bank; and \$18,000,000 for Kapolei Sports and Recreation Center.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 139, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 139, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1204 Ways and Means on H.B. No. 598

The purpose of this bill is to appropriate funds for the Judiciary of the State of Hawaii for the 1991-1993 fiscal biennium.

For the most part, appropriations have been made to meet the judiciary's most urgent program and operational requirements, although in the total, the appropriations are less than the amounts requested in the judiciary's budget. For FY 1991-92, the judiciary's general fund budget request was \$85.2 million whereas your Committee has determined that a total appropriation in the amount of \$80.5 million is sufficient. For FY 1992-93, your Committee recommends program appropriations which total \$82.3 million against the judiciary's general fund request of \$88.3 million.

Budget autonomy for the judiciary - the insulation of the judiciary from the controls of the executive branch - was the result of legislation initiated by the Senate in 1974. With the removal of executive controls, the judiciary gained budgetary independence, with the expectations that the Judiciary would develop its own system of budgetary controls and accountability. With the submission of the judiciary's 1991-93 fiscal biennium budget request, it is the Committee's opinion that the judiciary has not developed and implemented its own system of budgetary controls and accountability. If the judiciary fails to make improvements in budgetary accountability, the alternative is to establish a system of accountability by law.

Your Committee has focused on meeting the priority needs of the judiciary as provided by the chief justice. On the top of the priority listing for the judiciary is the need to plan, design, develop, implement and monitor the telecommunications and information systems of the judicial process. Your Committee has provided the necessary resources for the judiciary to develop the application of modern technology to court operations and supporting systems. Your Committee recognizes that the judiciary has developed a detailed plan which establishes priorities for projects, identifies resource requirements, and sets time frames for implementation and the management arrangements for project execution. This detailed plan has been developed by the recently hired chief information officer.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1598, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1598, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1205 Ways and Means on H.B. No. 701

The purpose of this bill is to appropriate funds for the 1991-1993 biennium budget of the office of Hawaiian affairs (OHA).

Your Committee carefully examined the biennium budget request submitted by OHA and made provisions by addressing emerging Hawaiian issues such as federal claims and restitution, sovereignty, self determination and the "Native Hawaiian Judicial Relief Act", more popularly known as the "right to sue" law.

Your Committee finds that the funds appropriated by this bill are necessary for the office of Hawaiian affairs to maintain acceptable standards for the health, welfare, and social conditions of native Hawaiians.

Your Committee has provided funding for staff support in the following areas:

1. Two clerk typist III positions to meet the current workload requirements with nine trustees and seven standing committees.
2. One publication assistant position to attend the increased number of OHA meetings and conduct research for the newspaper on emerging Hawaiian issues.
3. One public information specialist to assist the public information officer in carrying out the increased responsibilities of the public information office.
4. One natural resource specialist to analyze, monitor, and develop OHA's policies, positions, and advocacy of native Hawaiian rights as it concerns natural resources.
5. One housing officer and one housing specialist to develop and carry out activities in all areas of housing including, but not limited to, identifying housing needs of Hawaiians; exploring and designing housing financing plans; developing emergency housing and affordable housing projects; initiating and coordinating joint housing projects with other agencies; identifying and changing barriers to the acquisition of development of affordable housing and alternative housing models; and creating economic development activities in conjunction with housing developments.

Your Committee has also provided funding in the area of economic development for the following:

1. Community-Based Economic Development - \$251,500 in FY 1992 and \$252,000 in FY 1993 to provide for a variety of assistance and support to an emerging group of community-based economic development organizations across the State.
2. Management and Technical Assistance - \$255,000 in FY 1992 and \$270,000 in FY 1993 to provide, through a contract with Alu Like, business counseling to individual Hawaiian entrepreneurs. This type of assistance includes working with those wishing to either start or expand their business and helping them develop business plans, conduct marketing analysis, identifying sources of financing and complete loan packages.

Additionally, your Committee has provided funding in education for the following:

1. Hawaiian Recruitment Program - \$30,000 for each year of the biennium, has been provided to assist, promote, and develop a leadership training program for Hawaiian youth at the high school level.
2. Scholarships - \$50,000 for each year of the biennium, has been provided for 25 annual scholarships for each fiscal year for college students, new and continuing, undergraduate and graduate students who do not qualify for existing scholarship and grant programs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 701, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 701, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1206 Agriculture and Environmental Protection on H.B. No. 1817

The purpose of this bill is to amend Section 128D-14, Hawaii Revised Statutes, to obtain greater participation of the public in the implementation of the Environmental Response Law.

Your Committee finds that although it presently focuses on a specific portion of the law, this bill is one of the few remaining measures with a focus that is broad enough to encompass amendments that would reflect the general intent and approach of H.B. No. 957. In this regard, your Committee has amended this bill in its entirety by inserting, in a revised form, portions of the text originally contained in the administration's proposal.

As amended, this bill adds new sections to the environmental response law with respect to:

- (1) The apportionment of clean up costs among liable parties, the determination of an orphan share by the court, and procedures for any person who has incurred costs under the law to seek contribution or indemnity from any liable person;
- (2) The administrative review of clean up orders;
- (3) De minimis settlements in civil or administrative actions;
- (4) Citizen's suits;
- (5) Ensuring against duplicative enforcement under the federal law and the state law; and
- (6) Exempting removal and remedial actions from state or county permitting requirements.

This bill also amends existing sections of the environmental response law by:

- (1) Adding new definitions for the terms "contractual relationship" and "person" and amending the definitions of the terms "hazardous substance", "natural resources", "pollutant or contaminant", "release", "remedy" or "remedial action", and "Remove" or "Removal action";
- (2) Increasing the fines payable by any person who knowingly releases a hazardous substance or fails to notify the department of health of a release;
- (3) Repealing the existing procedure for judicial review and establishing a new procedure for the court to concurrently review orders issued by the director of health;
- (4) Amending sections of the law relating to the uses of the fund, liability, the state contingency plan, civil penalties, recordkeeping requirements, confidentiality of information, and employee protection; and
- (5) Repealing the section relating to removal and remedial orders.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 1817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1817, S.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1207 Ways and Means on H.B. No. 865

The purpose of this bill is to appropriate funds to provide low-interest land, home construction, and mortgage loans of up to \$35,000 to residents who have been dispossessed of their homes as a result of volcanic eruptions which began on January 3, 1983 on the island of Hawaii.

Your Committee has amended this bill by changing the appropriation to a blank amount.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 865, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 865, H.D. 2, S.D. 2.

Signed by all members of the Committee.

SCRep. 1208 Culture, Arts and Historic Preservation on S.C.R. No. 134

The purpose of this Concurrent Resolution is to commemorate the 50th Anniversary of the Japanese attack on Pearl Harbor.

Your Committee received testimony in support of the Resolution from the Director of the Office of Veterans' Services who informed the Committee that the Governor's Executive Planning Committee has been formed to plan, organize and coordinate events for the occasion.

Your Committee finds that meaningful and significant programs are appropriate for the week of December 7, 1991, the 50th Anniversary of the Japanese attack on Pearl Harbor, and that the occasion should be observed by dignified and solemn events.

Your Committee has amended this Concurrent Resolution by substituting the word "observing" for the word "commemorating" in the body and title and deleting the entire fourth paragraph.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. 134, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. 134, S.D. 1.

Signed by all members of the Committee.

LCRep. 1209 Executive Appointments on Gov. Msg. No. 61

Recommending that the Senate advise and consent to the nomination of EDWARD V. RICHARDSON for Adjutant General, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1210 Executive Appointments on Gov. Msg. No. 65

Recommending that the Senate advise and consent to the nomination of MARIO R. RAMIL for Director of Labor and Industrial Relations, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1211 Executive Appointments on Gov. Msg. No. 64

Recommending that the Senate advise and consent to the nomination of WINONA K.E. RUBIN for Director of Human Services, term to expire December 5, 1994.

Signed by all members of the Committee.

SCRep. 1212 Employment and Public Institutions on S.C.R. No. 141

The purpose of this Concurrent Resolution is to proclaim April 28, 1991 "Workers Memorial Day" in Hawaii.

The Concurrent Resolution resolves that appropriate measures be taken to establish worksite safety and health programs and committees with authority to meet, conduct inspections, and investigate accidents, and that state and county agencies coordinate and disseminate information relating to job-related deaths, injuries, and illnesses.

Additionally, Hawaii's Congressional Delegation is requested to support improvements to the Occupational Safety and Health Act (OSHA), including coverage of all workers, stronger standards, tougher enforcement, better injury and illness reporting, and protection from retaliation for workers who refuse dangerous life-threatening assignments.

Your Committee received supporting testimony from the Director of Labor and Industrial Relations and the Hawaii State AFL-CIO and finds that the number of workplace deaths, injuries, and diseases is far greater than generally known. Most people are unaware that each year over 11,000 workers nationwide are killed on the job (53 in Hawaii in 1989), 70,000 are permanently disabled, millions are injured, and thousands contract diseases. The current OSHA laws need to be strengthened and enforced more vigorously, and public awareness must be heightened.

Proclaiming April 28, 1991 (the anniversary of passage of OSHA in 1970) "Workers Memorial Day" will serve as a somber reminder of the right of every worker to a place of employment free from hazards that cost lives and cause injuries and illnesses, and help forge in our hearts and minds the will to work together to eliminate the conditions and attitudes which permit such tragedies to occur.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 141 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1213 Employment and Public Institutions on S.R. No. 118

The purpose of this Resolution is to proclaim April 28, 1991 "Workers Memorial Day" in Hawaii.

The Resolution resolves that appropriate measures be taken to establish worksite safety and health programs and committees with authority to meet, conduct inspections, and investigate accidents, and that state and county agencies coordinate and disseminate information relating to job-related deaths, injuries, and illnesses.

Additionally, Hawaii's Congressional Delegation is requested to support improvements to the Occupational Safety and Health Act (OSHA), including coverage of all workers, stronger standards, tougher enforcement, better injury and illness reporting, and protection from retaliation for workers who refuse dangerous life-threatening assignments.

Your Committee received supporting testimony from the Director of Labor and Industrial Relations and the Hawaii State AFL-CIO and finds that the number of workplace deaths, injuries, and diseases is far greater than generally known. Most people are unaware that each year over 11,000 workers nationwide are killed on the job (53 in Hawaii in 1989), 70,000 are permanently disabled, millions are injured, and thousands contract diseases. The current OSHA laws need to be strengthened and enforced more vigorously, and public awareness must be heightened.

Proclaiming April 28, 1991 (the anniversary of passage of OSHA in 1970) "Workers Memorial Day" will serve as a somber reminder of the right of every worker to a place of employment free from hazards that cost lives and cause injuries and illnesses, and help forge in our hearts and minds the will to work together to eliminate the conditions and attitudes which permit such tragedies to occur.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 118 and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1214 Executive Appointments on Gov. Msg. No. 67

Recommending that the Senate advise and consent to the nomination of SHARON Y. MIYASHIRO, Ph.D., for Director of Personnel Services, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1215 Executive Appointments on Gov. Msg. No. 68

Recommending that the Senate advise and consent to the nomination of GEORGE W. SUMNER for Director of Public Safety, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1216 Executive Appointments on Gov. Msg. No. 70

Recommending that the Senate advise and consent to the nomination of EDWARD Y. HIRATA for Director of Transportation, term to expire December 5, 1994.

Signed by all members of the Committee.

SCRep. 1217 Housing and Hawaiian Programs on S.C.R. No. 9

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct a study regarding the formation, governance and oversight of cooperative housing. The request envisions a comprehensive study relative to:

1. The need for a new chapter in the Hawaii Revised Statutes to address issues concerning:
 - (a) Administrative oversight of cooperative housing;
 - (b) The formation of housing cooperatives;
 - (c) The application of chapters 415 and 415B (business and nonprofit corporations acts) and chapter 485 (uniform securities act) to cooperative housing; and
 - (d) The establishment of statutory remedies for cooperative shareholder complaints.
2. A comparative analysis of existing cooperative housing statutes and:
 - (a) Federal and state securities laws;
 - (b) Federal and state tax laws;
 - (c) Horizontal property regimes statutes;
 - (d) Constitutional provisions prohibiting retroactive application of new enactments;
 - (e) The need to adopt a model real estate cooperative act; and
 - (f) The need for stronger provisions governing administrative oversight of housing cooperatives.
3. A review of the report entitled "Condominium/Cooperative Study Report" issued by the Real Estate Commission in 1988, as it pertains to this request.
4. Recommendations of means by which the Legislature may immediately help rejuvenate the dormant cooperative housing development industry in Hawaii.

Your Committee received testimony from the Real Estate Commission and the Waikiki Residents Association in support of the Concurrent Resolution.

Your Committee finds that the study is needed to determine the necessity or desirability of enacting a new chapter with specific provisions governing cooperative housing and other matters referred to in the Concurrent Resolution.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

SCRep. 1218 Housing and Hawaiian Programs on S.C.R. No. 132

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study on the use of proxy votes on issues relative to directors of associations of apartment owners.

Your Committee received testimony from the Real Estate Commission, the Hawaii Independent Condominium and Co-operative Owners and a director of the Waikiki Banyan Apartment Owners Association.

Your Committee finds that under existing law, there are opportunities for manipulation of proxies leading to confusion and misinterpretation of the rights and duties of directors of associations of apartment owners. The study requested by this Resolution will provide a sound basis for the fashioning of legislation to resolve these problems.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 132 and recommends its adoption.

Signed by all members of the Committee except Senator Aki.

SCRep. 1219 Housing and Hawaiian Programs on S.C.R. No. 103

The purpose of this Concurrent resolution is to urge all public and private agencies associated with the ownership and operation of condominiums to acknowledge certain basic rights of the occupants.

Your Committee received testimony in support of the resolution from the Real Estate Commission and an interested condominium owner.

Your Committee finds that item three in the first paragraph should relate only to "open" meetings and item six should refer to "permitted" pets. Your Committee has amended these items for the purpose of clarification.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 103, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 103, S.D. 1.

Signed by all members of the Committee except Senator Aki.

SCRep. 1220 Housing and Hawaiian Programs on S.R. No. 85

The purpose of this Resolution is to urge all public and private agencies associated with the ownership and operation of condominiums to acknowledge certain basic rights of the occupants.

Your Committee received testimony in support of the resolution from the Real Estate Commission and an interested condominium owner.

Your Committee finds that item three in the first paragraph should relate only to "open" meetings and item six should refer to "permitted" pets. Your Committee has amended these items for the purpose of clarification.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 85, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 85, S.D. 1.

Signed by all members of the Committee except Senator Aki.

SCRep. 1221 Housing and Hawaiian Programs on S.C.R. No. 202

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study of proposed legislation concerning residential leasehold interests.

The study would evaluate the impact of mandatory leasehold conversions and gather data on increases in rents of renegotiated leases.

The study would also address the following concerns:

1. Socio-economic-legal-political factors influencing the housing market;
2. The impact of lease-to-fee conversions of both single-family and multi-family units;
3. Factors contributing to dramatic increases in housing costs;
4. Rent subsidies funded by a conveyance tax;
5. Criteria to determine eligibility for housing assistance;
6. Other land interests of single-family lessees who converted to fee; and
7. Evaluation methods used under eminent domain actions.

Your Committee received testimony from The Bishop Estate, The Queen Emma Foundation, The American Association of Retired Persons, The Hawaii Leaseholders Equity Coalition, and a group of 382 small landowner-lessors.

Your Committee finds that the title unnecessarily restricts the scope of the study and has accordingly amended the title so that all residential leasehold interests are included in the study.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 202, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 202, S.D. 1.

Signed by all members of the Committee except Senator Aki.

SCRep. 1222 Housing and Hawaiian Programs on S.R. No. 178

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a study of proposed legislation concerning residential leasehold interests.

The study would evaluate the impact of mandatory leasehold conversions and gather data on increases in rents of renegotiated leases.

The study would also address the following concerns:

1. Socio-economic-legal-political factors influencing the housing market;
2. The impact of lease-to-fee conversions of both single-family and multi-family units;
3. Factors contributing to dramatic increases in housing costs;
4. Rent subsidies funded by a conveyance tax;
5. Criteria to determine eligibility for housing assistance;
6. Other land interests of single-family lessees who converted to fee; and
7. Evaluation methods used under eminent domain actions.

Your Committee received testimony from The Bishop Estate, The Queen Emma Foundation, The American Association of Retired Persons, The Hawaii Leaseholders Equity Coalition, and a group of 382 small landowner-lessors.

Your Committee finds that the title unnecessarily restricts the scope of the study and has accordingly amended the title so that all residential leasehold interests are included in the study.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 178, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 178, S.D. 1.

Signed by all members of the Committee except Senator Aki.

SCRep. 1223 Legislative Management on S.C.R. No. 199

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to review the Hawaii Revised Statutes, identify all gender specific terms, and substitute terms whenever possible to ensure gender neutrality.

Your Committee received supporting testimony from the State Ethics Commission and the Hawaii State Commission on the Status of Women.

The increased use of gender neutral language in state and federal law, as well as in major channels of communication, dispels biases and preconceptions that can close the door of opportunity for people of either sex.

Your Committee finds that the elimination of the generic use of masculine gender words is timely and appropriate, and more accurately reflects modern society.

Your Committee on Legislative Management concurs with the intent and purpose of S.C.R. No. 199 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1224 Employment and Public Institutions on S.C.R. No. 56

The purpose of this Concurrent Resolution is to request the Department of Personnel Services to study the pricing of personnel clerks and technical positions in the public service and initiate appropriate repricing actions indicated by the study.

Repricing appeals for School Administrative Services Assistants and Secretaries submitted to the Public Employees Compensation Appeals Board (PECAB) in 1989 were successful because it was found that the functions and duties of those positions had become more complex and warranted increased pay. The same appeal included repricing requests for personnel clerks and technicians, which were denied. Your Committee finds that it may be contrary to public policy and the best interests of the State to reward some positions with increased salaries and not others, unless substantial justification is offered and substantiated.

Your Committee has amended this Concurrent Resolution by redirecting it to the Conference of Personnel Directors.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 56, S.D. 1.

Signed by all members of the Committee.

SCRep. 1225 Employment and Public Institutions on S.R. No. 49

The purpose of this Resolution is to request the Department of Personnel Services to study the pricing of personnel clerks and technical positions in the public service and initiate appropriate repricing actions indicated by the study.

Repricing appeals for School Administrative Services Assistants and Secretaries submitted to the Public Employees Compensation Appeals Board (PECAB) in 1989 were successful because it was found that the functions and duties of those positions had become more complex and warranted increased pay. The same appeal included repricing requests for personnel clerks and technicians, which were denied. Your Committee finds that it may be contrary to public policy and the best interests of the State to reward some positions with increased salaries and not others, unless substantial justification is offered and substantiated.

Your Committee has amended this Resolution by redirecting it to the Conference of Personnel Directors.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 49, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 49, S.D. 1.

Signed by all members of the Committee.

SCRep. 1226 Employment and Public Institutions on S.C.R. No. 142

The purpose of this Concurrent Resolution is to request the Department of Public Safety to study the feasibility of obtaining an impounded aircraft from the Drug Enforcement Administration for the purpose of moving prisoners and Department personnel between islands.

It is estimated that before the end of the current fiscal year, 219 prisoners will be moved between islands escorted by 305 Department personnel, all by commercial airlines and at significant cost to the taxpayers of this State. Your Committee finds that obtaining an aircraft forfeited to the DEA because of its use in illegal activities presents an attractive and practical alternative that warrants study.

Your Committee further finds that the Department is prepared to share this air transportation capability with other state agencies, which could result in even greater savings and more efficient government operations.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 142 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1227 Employment and Public Institutions on S.R. No. 119

The purpose of this Resolution is to request the Department of Public Safety to study the feasibility of obtaining an impounded aircraft from the Drug Enforcement Administration for the purpose of moving prisoners and Department personnel between islands.

It is estimated that before the end of the current fiscal year, 219 prisoners will be moved between islands escorted by 305 Department personnel, all by commercial airlines and at significant cost to the taxpayers of this State. Your Committee finds that obtaining an aircraft forfeited to the DEA because of its use in illegal activities presents an attractive and practical alternative that warrants study.

Your Committee further finds that the Department is prepared to share this air transportation capability with other state agencies, which could result in even greater savings and more efficient government operations.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 119 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1228 Employment and Public Institutions on S.C.R. No. 210

The purpose of this Concurrent Resolution is to request the Department of Public Safety to study alternatives to incarceration that have been proven successful in other jurisdictions.

The study would also include recommendations relating to the efficacy of enacting legislation requiring that new legislative proposals that would create offenses or increase prison terms for existing offenses be accompanied by statements estimating the cost to the State and the effect such laws would have on the State's already overburdened prison system.

In recent years, Congress and state legislatures have been criminalizing previously non-criminal activities and extending prison sentences for a wide range of crimes. This trend has resulted in prison overcrowding, lack of medical and mental health services, poor sanitation, lack of rehabilitative programs, and ineffective prisoner classification. The cost of incarceration averages \$28,000 per year per inmate in Hawaii, and new prisons are very expensive to build.

In view of these and other conditions which adversely affect the ability of the State to carry out its mission relating to Corrections, your Committee finds that it is practical and necessary to look for proven means to resolve some of the problems presently besetting the Correctional System.

Your Committee also finds that requiring objective statements relating to the implications of Penal Code revision will provide the Legislature with invaluable information with which to make important policy decisions.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 210 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1229 Employment and Public Institutions on S.R. No. 188

The purpose of this Resolution is to request the Department of Public Safety to study alternatives to incarceration that have been proven successful in other jurisdictions.

The study would also include recommendations relating to the efficacy of enacting legislation requiring that new legislative proposals that would create offenses or increase prison terms for existing offenses be accompanied by statements estimating the cost to the State and the effect such laws would have on the State's already overburdened prison system.

In recent years, Congress and state legislatures have been criminalizing previously non-criminal activities and extending prison sentences for a wide range of crimes. This trend has resulted in prison overcrowding, lack of medical and mental health services, poor sanitation, lack of rehabilitative programs, and ineffective prisoner classification. The cost of incarceration averages \$28,000 per year per inmate in Hawaii, and new prisons are very expensive to build.

In view of these and other conditions which adversely affect the ability of the State to carry out its mission relating to Corrections, your Committee finds that it is practical and necessary to look for proven means to resolve some of the problems presently besetting the Correctional System.

Your Committee also finds that requiring objective statements relating to the implications of Penal Code revision will provide the Legislature with invaluable information with which to make important policy decisions.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 188 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1230 Employment and Public Institutions on S.C.R. No. 216

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study and report on the feasibility of establishing a Hawaii State Coordinating Council on Sex Offender Treatment.

The Hawaii Sex Offender Treatment Team, a consortium consisting of the Hawaii Paroling Authority, the Departments of Corrections, Health, and Human Services, and the Judiciary, was established by interdepartmental agreement in 1987 to oversee and coordinate the planning and implementation of statewide adult sex offender treatment services. In 1989 the team submitted to the Legislature the "Hawaii Master Plan on Adult Sex Offender Treatment: an Integrated Model," and subsequently the Legislature has provided some funding to begin implementing the Master Plan.

However, the Team lacks adequate resources to fully implement the Master Plan on a statewide basis, ensure long-range quality control of integrated adult sex offender treatment services, and provide needed training, research, and evaluation. Creation of the Hawaii State Coordinating Council on Sex Offender Treatment might be the most effective means of achieving these objectives.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1231 Employment and Public Institutions on S.R. No. 194

The purpose of this Resolution is to request the Legislative Reference Bureau to study and report on the feasibility of establishing a Hawaii State Coordinating Council on Sex Offender Treatment.

The Hawaii Sex Offender Treatment Team, a consortium consisting of the Hawaii Paroling Authority, the Departments of Corrections, Health, and Human Services, and the Judiciary, was established by interdepartmental agreement in 1987 to oversee and coordinate the planning and implementation of statewide adult sex offender treatment services. In 1989 the team submitted to the Legislature the "Hawaii Master Plan on Adult Sex Offender Treatment: an Integrated Model," and subsequently the Legislature has provided some funding to begin implementing the Master Plan.

However, the Team lacks adequate resources to fully implement the Master Plan on a statewide basis, ensure long-range quality control of integrated adult sex offender treatment services, and provide needed training, research, and evaluation. Creation of the Hawaii State Coordinating Council on Sex Offender Treatment might be the most effective means of achieving these objectives.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 194 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1232 Employment and Public Institutions on S.R. No. 122

The purpose of this Resolution is to request the Senate Committee on Employment and Public Institutions to review progress on issues related to the disposition of Kahoolawe.

In November, 1990, Congress enacted a law establishing a two-year moratorium on the use of Kahoolawe for military bombing practice and creating the Kahoolawe Island Conveyance Commission to recommend terms and conditions for the Island's eventual return to the State. The key issues relating to the return include (1) the kind of military activity that should be allowed on the Island, if any; (2) the extent to which the Island must be cleared of ordnance to render it habitable; and (3) the cost and responsibility for such clean-up.

The Commission has met regularly since December, 1990; however, being that future use and well-being of Kahoolawe is of vital concern to the people of Hawaii, your Committee finds that a legislative review of the related issues, as

contemplated by this Resolution, is appropriate at this time and will contribute to the successful return of this valued Island to the State of Hawaii.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 122 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

LCRep. 1233 Executive Appointments on Gov. Msg. No. 59

Recommending that the Senate advise and consent to the nomination of YUKIO TAKEMOTO for Director of Finance, term to expire December 5, 1994.

Signed by all members of the Committee.

SCRep. 1234 Judiciary on S.C.R. No. 42

The purpose of this resolution is to request the Legislative Auditor to conduct a sunrise review and analysis of the regulation and licensing of process servers.

Pursuant to section 26H-6, Hawaii Revised Statutes, any new measure being considered for enactment that would, if enacted, subject unregulated professions and vocations to licensing or other regulatory controls must be referred to the Legislative Auditor for an analysis of the need and impact of such a measure.

However, due to inadvertent error, Act 123, which required for the first time the licensing and regulation of process servers, was enacted in 1989 without an analysis by the Legislative Auditor. Act 123 has since been codified as chapter 634D, Hawaii Revised Statutes.

Your Committee finds that a sunrise analysis of Act 123 is necessary to insure compliance with section 26H-6, Hawaii Revised Statutes, and to provide the necessary guidance for effective regulation and licensing of process servers.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 42 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1235 Transportation and Intergovernmental Relations on S.C.R. No. 102

The purpose of this Concurrent Resolution is to acknowledge the year 1993 as the "International Year for the World's Indigenous People," and to encourage the participation of the Office of Hawaiian Affairs, the Council for the Year 1993 and Beyond, and Hawaii's civic organizations and its own indigenous people in planning for and observing the year.

Your Committee received testimony in support of the Concurrent Resolution from the Office of Hawaiian Affairs and the Hawaii Council for 1993 and Beyond.

Your Committee finds that the United Nations General Assembly has declared the year 1993 as the "International Year for the World's Indigenous People". Your Committee further finds that it would be especially appropriate for the State of Hawaii, with its multifarious ethnic population, to participate in the observance of a year acknowledging the importance of all the world's indigenous people.

Your Committee has made a few technical amendments to the Concurrent Resolution which have no substantive effect.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1.

Signed by all members of the Committee except Senator Blair.

SCRep. 1236 Transportation and Intergovernmental Relations on S.R. No. 84

The purpose of this Resolution is to acknowledge the year 1993 as the "International Year for the World's Indigenous People," and to encourage the participation of the Office of Hawaiian Affairs, the Council for the Year 1993 and Beyond, and Hawaii's civic organizations and its own indigenous people in planning for and observing the year.

Your Committee received testimony in support of the Resolution from the Office of Hawaiian Affairs and the Hawaii Council for 1993 and Beyond.

Your Committee finds that the United Nations General Assembly has declared the year 1993 as the "International Year for the World's Indigenous People". Your Committee further finds that it would be especially appropriate for the State of Hawaii, with its multifarious ethnic population, to participate in the observance of a year acknowledging the importance of all the world's indigenous people.

Your Committee has made a few technical amendments to the Resolution which have no substantive effect.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 84, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 84, S.D. 1.

Signed by all members of the Committee except Senator Blair.

SCRep. 1237 Transportation and Intergovernmental Relations on S.C.R. No. 220

The purpose of this Concurrent Resolution is to request the Department of Transportation to revise its plans for Kahului Harbor to allow the Hawaiian and Na Kai Ewalu Canoe Clubs to remain in the Harbor at their present location.

Your Committee received testimony in support of the Concurrent Resolution from the Department of Transportation (DOT).

Your Committee finds that the proposed Department of Transportation plans for Kahului Harbor will effectively evict canoe clubs from the area, thus denying young paddlers the safety provided by the Harbor, and precluding future canoe regattas from taking place there.

Your Committee has amended the Concurrent Resolution to broaden the DOT's investigation of alternative sites for canoe paddling purposes.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 220, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 220, S.D. 1.

Signed by all members of the Committee except Senator Blair.

SCRep. 1238 Transportation and Intergovernmental Relations on S.R. No. 198

The purpose of this Resolution is to request the Department of Transportation to revise its plans for Kahului Harbor to allow the Hawaiian and Na Kai Ewalu Canoe Clubs to remain in the Harbor at their present location.

Your Committee received testimony in support of the Resolution from the Department of Transportation (DOT).

Your Committee finds that the proposed Department of Transportation plans for Kahului Harbor will effectively evict canoe clubs from the area, thus denying young paddlers the safety provided by the Harbor, and precluding future canoe regattas from taking place there.

Your Committee has amended the Resolution to broaden the DOT's investigation of alternative sites for canoe paddling purposes.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 198, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 198, S.D. 1.

Signed by all members of the Committee except Senator Blair.

SCRep. 1239 Tourism and Recreation on S.C.R. No. 167

The purpose of this concurrent resolution is to encourage the Waikiki Convention Center Authority to attempt to reduce the density of the facility in the WICP proposal as much as possible.

Your Committee finds that the density of the present proposal is too massive so as to be incompatible with the surrounding locale. The Waikiki community has very grave concerns over the monstrous proportions of the proposed facility.

Your Committee heard supporting testimony from the Hawaii Convention Park Council, Waikiki International Convention Plaza Joint Venture, Hawaii Hotel Association, and the Waikiki Convention Center Authority.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 167 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1240 Tourism and Recreation on S.R. No. 145

The purpose of this resolution is to encourage the Waikiki Convention Center Authority to attempt to reduce the density of the facility in the WICP proposal as much as possible.

Your Committee finds that the density of the present proposal is too massive so as to be incompatible with the surrounding locale. The Waikiki community has very grave concerns over the monstrous proportions of the proposed facility.

Your Committee heard supporting testimony from the Hawaii Convention Park Council, Waikiki International Convention Plaza Joint Venture, Hawaii Hotel Association, and the Waikiki Convention Center Authority.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 145 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1241 Tourism and Recreation on S.C.R. No. 168

The purpose of this resolution is to urge the State Department of Health to work with the City and County of Honolulu to find a solution to the pigeon problem in Waikiki.

Your Committee heard supporting testimony from the State Department of Health, Hawaii Hotel Association, and Waikiki Improvement Association.

Your Committee has amended the resolution by adding the Department of Land and Natural Resources and its Nuisance Bird Ad-Hoc Advisory Committee to the list of organizations slated to assist in implementing the purposes of this resolution, and has amended the title accordingly. Your Committee has also made a number of stylistic changes that have no substantive effect.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 168, S.D. 1.

Signed by all members of the Committee.

SCRep. 1242 Tourism and Recreation on S.R. No. 147

The purpose of this bill is to request a study of alternative growth scenarios for tourism development by the Director of the Office of State Planning.

Your Committee heard supporting testimony from the Office of State Planning and the Hawaii Hotel Association.

Your Committee finds that given the high rate of tourism growth projected for Hawaii in the next 20 years and the growing burdens on our infrastructure and impact on our social, cultural, economic, and environmental resources, no study has yet been done that measures those impacts and attempts to determine a growth rate that is more consonant with the needs of our community.

Your Committee finds that this measure is a good step in that direction.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 147 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1243 Employment and Public Institutions on S.C.R. No. 47

The purpose of this Concurrent Resolution is to request the Board of Land and Natural Resources to dedicate one hundred acres of state land in the Puu O'O area for a West Hawaii Veterans' Memorial Park.

Currently, the only veterans' cemetery on the Big Island is in Hilo, and family and friends residing in West Hawaii must travel as many as one hundred miles to pay their respects to deceased family and friends. Clearly, there is a need to establish a suitable veterans' cemetery and memorial park in West Hawaii, and your Committee finds that it is appropriate and in the public interest to dedicate public land for this purpose.

Your Committee has amended this Concurrent Resolution, including its title, to reflect the appropriate procedure for accomplishing its purpose. As amended, the Governor is requested to set aside the land by Executive Order. The Department of Defense will control and manage the Memorial Park and provide to the Board of Land and Natural Resources a capital expenditure and site survey plan which will satisfy the needs of the State in carrying out this project.

In addition, your Committee has provided for certified copies of this Concurrent Resolution to be transmitted to the Governor and the Adjutant General, and made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 47, S.D. 1.

Signed by all members of the Committee.

SCRep. 1244 Employment and Public Institutions on S.R. No. 42

The purpose of this Resolution is to request the Board of Land and Natural Resources to dedicate one hundred acres of state land in the Puu O'O area for a West Hawaii Veterans' Memorial Park.

Currently, the only veterans' cemetery on the Big Island is in Hilo, and family and friends residing in West Hawaii must travel as many as one hundred miles to pay their respects to deceased family and friends. Clearly, there is a need to establish a suitable veterans' cemetery and memorial park in West Hawaii, and your Committee finds that it is appropriate and in the public interest to dedicate public land for this purpose.

Your Committee has amended this Resolution, including its title, to reflect the appropriate procedure for accomplishing its purpose. As amended, the Governor is requested to set aside the land by Executive Order. The Department of Defense will control and manage the Memorial Park and provide to the Board of Land and Natural Resources a capital expenditure and site survey plan which will satisfy the needs of the State in carrying out this project.

In addition, your Committee has provided for certified copies of this Resolution to be transmitted to the Governor and the Adjutant General, and made some nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 42, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 42, S.D. 1.

Signed by all members of the Committee.

SCRep. 1245 Employment and Public Institutions on S.C.R. No. 139

The purpose of this Concurrent Resolution is to request the Department of Public Safety to study the correctness, feasibility, and cost of raising the hourly wages of inmates performing work-line jobs and working in the Correctional Industries Program.

The Correctional Industries Program utilizes skilled workers to produce products purchased by government agencies and is substantially self-supporting, while the work-line jobs require less education and training but are critical to the smooth operation of the Correctional System's institutions.

Your Committee finds that current pay rates for both categories are insufficient to allow inmates to accumulate enough money to make restitution, thus compromising the emphasis which should be placed on paying their debts. Your Committee finds that a study may reveal that raising the hourly wages paid to these people will improve the rehabilitative function of incarceration with little or no additional cost to the taxpayers of this State. This benefit is worth examination and consideration.

Your Committee has amended this Concurrent Resolution by changing the title to more clearly reflect its intent.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 139, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 139, S.D. 1.

Signed by all members of the Committee.

SCRep. 1246 Employment and Public Institutions on S.R. No. 116

The purpose of this Resolution is to request the Department of Public Safety to study the correctness, feasibility, and cost of raising the hourly wages of inmates performing work-line jobs and working in the Correctional Industries Program.

The Correctional Industries Program utilizes skilled workers to produce products purchased by government agencies and is substantially self-supporting, while the work-line jobs require less education and training but are critical to the smooth operation of the Correctional System's institutions.

Your Committee finds that current pay rates for both categories are insufficient to allow inmates to accumulate enough money to make restitution, thus compromising the emphasis which should be placed on paying their debts. Your Committee finds that a study may reveal that raising the hourly wages paid to these people will improve the rehabilitative function of incarceration with little or no additional cost to the taxpayers of this State. This benefit is worth examination and consideration.

Your Committee has amended this Resolution by changing the title to more clearly reflect its intent.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 116, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 116, S.D. 1.

Signed by all members of the Committee.

SCRep. 1247 Employment and Public Institutions on S.C.R. No. 140

The purpose of this Concurrent Resolution is to urge the Department of Labor and Industrial Relations (DLIR) to ensure that employers comply with state and federal regulations and guidelines relating to exposure of health care workers (HCW's) to Human Immunodeficiency Virus (HIV) and Hepatitis B (HBV).

To accomplish this, HCW's must be made aware of and comply with requirements relating to preventive and prophylactic treatment and federal and state laws designed to provide protection against occupational exposure to blood-borne illnesses. The DLIR and the Department of Health are requested to review Workers' Compensation cases relating to HIV and HVB disabilities to determine whether appropriate coverage is provided by law, and the Hawaii Civil Rights Commission is requested to become versed on applicable state and federal laws and guidelines in order to monitor and appropriately rule on the civil rights aspects of HIV and HVB-related occupational exposure violations.

Your Committee received supporting testimony from the Director of Health, the Director of Labor and Industrial Relations, and the Gov. Committee on AIDS, and finds that there is evidence of discrepancies in adherence to state and federal requirements, and that actual workplace exposure to HIV and HVB can be significantly reduced through conscientious compliance and increased educational efforts in the public and private sectors. Vigorous implementation of the actions requested by this Concurrent Resolution will protect the health and well-being of Hawaii's valuable HCW's and will help to stimulate cooperation between the public and private sectors in responding to these dread diseases.

Your Committee has amended this Concurrent Resolution by clarifying that the State Department of Occupational Safety and Health is requested to ensure that health care employers make available both HIV/HBV preventive measures and prophylactic treatment, when applicable. Your Committee has also made nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by all members of the Committee.

SCRep. 1248 Employment and Public Institutions on S.R. No. 117

The purpose of this Resolution is to urge the Department of Labor and Industrial Relations (DLIR) to ensure that employers comply with state and federal regulations and guidelines relating to exposure of health care workers (HCW's) to Human Immunodeficiency Virus (HIV) and Hepatitis B (HBV).

To accomplish this, HCW's must be made aware of and comply with requirements relating to preventive and prophylactic treatment and federal and state laws designed to provide protection against occupational exposure to blood-borne illnesses. The DLIR and the Department of Health are requested to review Workers' Compensation cases relating to HIV and HVB disabilities to determine whether appropriate coverage is provided by law, and the Hawaii Civil Rights Commission is requested to become versed on applicable state and federal laws and guidelines in order to monitor and appropriately rule on the civil rights aspects of HIV and HVB-related occupational exposure violations.

Your Committee received supporting testimony from the Director of Health, the Director of Labor and Industrial Relations, and the Gov. Committee on AIDS, and finds that there is evidence of discrepancies in adherence to state and federal requirements, and that actual workplace exposure to HIV and HVB can be significantly reduced through conscientious compliance and increased educational efforts in the public and private sectors. Vigorous implementation of the actions requested by this Resolution will protect the health and well-being of Hawaii's valuable HCW's and will help to stimulate cooperation between the public and private sectors in responding to these dread diseases.

Your Committee has amended this Resolution by clarifying that the State Department of Occupational Safety and Health is requested to ensure that health care employers make available both HIV/HBV preventive measures and prophylactic treatment, when applicable. Your Committee has also made nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 117, S.D. 1.

Signed by all members of the Committee.

SCRep. 1249 Employment and Public Institutions on S.C.R. No. 183

The purpose of this Concurrent Resolution is to request the Legislative Auditor to study the feasibility of allowing public employees to use private vehicles on official business.

Currently the Honolulu Police Department allows officers to use their private vehicles on duty, and your Committee finds that the potential benefits that may be inherent in such a policy, such as enhanced sense of responsibility for the vehicle, including its maintenance and safe operation, would be beneficial to state government. The study contemplated by this Concurrent Resolution will provide information necessary for the Legislature to determine whether such a policy should be instituted.

Your Committee has amended this Concurrent Resolution by requesting the Legislative Reference Bureau, rather than the Legislative Auditor, to do the feasibility study, and by making technical changes that have no substantive effect.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 183, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 183, S.D. 1.

Signed by all members of the Committee.

SCRep. 1250 Employment and Public Institutions on S.R. No. 162

The purpose of this Resolution is to request the Legislative Auditor to study the feasibility of allowing public employees to use private vehicles on official business.

Currently the Honolulu Police Department allows officers to use their private vehicles on duty, and your Committee finds that the potential benefits that may be inherent in such a policy, such as enhanced sense of responsibility for the vehicle, including its maintenance and safe operation, would be beneficial to state government. The study contemplated by this Resolution will provide information necessary for the Legislature to determine whether such a policy should be instituted.

Your Committee has amended this Resolution by requesting the Legislative Reference Bureau, rather than the Legislative Auditor, to do the feasibility study, and by making technical changes that have no substantive effect.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 162, as amended herein, and recommends its referral to the Committee on Legislative Management in the form attached hereto as S.R. No. 162, S.D. 1.

Signed by all members of the Committee.

SCRep. 1251 Housing and Hawaiian Programs on S.R. No. 110

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a study on the use of proxy votes on issues relative to directors of associations of apartment owners.

Your Committee received testimony from the Real Estate Commission, the Hawaii Independent Condominium and Co-operative Owners and a director of the Waikiki Banyan Apartment Owners Association.

Your Committee finds that under existing law, there are opportunities for manipulation of proxies leading to confusion and misinterpretation of the rights and duties of directors of associations of apartment owners. The study requested by this Resolution will provide a sound basis for the fashioning of legislation to resolve these problems.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 110 and recommends its referral to the Committee on Legislative Management.

Signed by all members of the Committee.

SRep. 1252 Health and Human Services on S.C.R. No. 122

The purpose of this Concurrent Resolution is to request the State Planning Council on Developmental Disabilities to study the feasibility of providing comprehensive services to people with autism and autistic-like behaviors.

Your Committee finds that persons with autism and autistic-like behaviors is a diverse group needing a wide range of services. Because of the diversity, identification of what services are needed for a particular individual are often difficult to identify. However, our lack of understanding of the nature of "autism" should not stand in the way of provisions of services.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 122 and recommends its adoption.

Signed by all members of the Committee.

SRep. 1253 Health and Human Services on S.R. No. 100

The purpose of this Resolution is to request the State Planning Council on Developmental Disabilities to study the feasibility of providing comprehensive services to people with autism and autistic-like behaviors.

Your Committee finds that persons with autism and autistic-like behaviors is a diverse group needing a wide range of services. Because of the diversity, identification of what services are needed for a particular individual are often difficult to identify. However, our lack of understanding of the nature of "autism" should not stand in the way of provisions of services.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 100 and recommends its adoption.

Signed by all members of the Committee.

SRep. 1254 Health and Human Services on S.C.R. No. 225

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study the feasibility of implementing a statewide tax credit to persons who provide in-home care to elderly individuals.

Your Committee finds that in-home care to elderly family members is an integral part of community-based long term care services.

Upon the recommendation of the State Planning Council on Developmental Disabilities, your Committee has amended this Concurrent Resolution to include families who are caregivers for disabled members. Your Committee finds that these families face financial pressures, isolation, stigmatization, daily stress and other problems similar to those faced by families of the elderly.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 225, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 225, S.D. 1.

Signed by all members of the Committee.

SRep. 1255 Health and Human Services on S.R. No. 204

The purpose of this Resolution is to request the Legislative Reference Bureau to study the feasibility of implementing a statewide tax credit to persons who provide in-home care to elderly individuals.

Your Committee finds that in-home care to elderly family members is an integral part of community-based long term care services.

Upon the recommendation of the State Planning Council on Developmental Disabilities, your Committee has amended this Resolution to include families who are caregivers for disabled members. Your Committee finds that these families face financial pressures, isolation, stigmatization, daily stress and other problems similar to those faced by families of the elderly.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 204, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 204, S.D. 1.

Signed by all members of the Committee.

SCRep. 1256 Health and Human Services on S.C.R. No. 226

The purpose of this Concurrent Resolution is to urge the legislature to consider enactment of legislation to recognize cash assistance or cash reimbursement for family support services as a benefit rather than taxable income.

Your Committee finds that respite is vitally important to families who have members with a disability. However, it appears that some hardships are experienced because families which receive direct cash payment for respite must pay income tax on amounts over \$600 per year. According to testimony from the State Planning Council on Developmental Disabilities, the Internal Revenue Service has consistently held in various revenue rulings that payments made from a general welfare fund, or under a legislatively-provided social benefits program, for promotion of general welfare objectives are not includable in a recipient's gross income.

Your Committee has discussed this Concurrent Resolution with the Department of Taxation which stated that cash assistance or cash reimbursement for family support services, in fact, may be exempt from income taxation under present federal interpretations of the income tax law in a manner similar to public assistance. If this is so, then exemption for the state income tax law would automatically follow. The Department of Taxation has advised this Committee that it would be willing to assist the Departments of Health and Human Services in drafting inquiries to the Internal Revenue Service to request rulings to determine what service or services in this area may qualify for income tax exemption if done with cash assistance or reimbursement. Finally, the Department of Taxation indicated that any inability to obtain federal income tax exemption would make state income tax exemption by itself of little value.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 226, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.C.R. No. 226, S.D. 1.

Signed by all members of the Committee.

SCRep. 1257 Health and Human Services on S.R. No. 205

The purpose of this Resolution is to urge the legislature to consider enactment of legislation to recognize cash assistance or cash reimbursement for family support services as a benefit rather than taxable income.

Your Committee finds that respite is vitally important to families who have members with a disability. However, it appears that some hardships are experienced because families which receive direct cash payment for respite must pay income tax on amounts over \$600 per year. According to testimony from the State Planning Council on Developmental Disabilities, the Internal Revenue Service has consistently held in various revenue rulings that payments made from a general welfare fund, or under a legislatively-provided social benefits program, for promotion of general welfare objectives are not includable in a recipient's gross income.

Your Committee has discussed this Resolution with the Department of Taxation which stated that cash assistance or cash reimbursement for family support services, in fact, may be exempt from income taxation under present federal interpretations of the income tax law in a manner similar to public assistance. If this is so, then exemption for the state income tax law would automatically follow. The Department of Taxation has advised this Committee that it would be willing to assist the Departments of Health and Human Services in drafting inquiries to the Internal Revenue Service to request rulings to determine what service or services in this area may qualify for income tax exemption if done with cash assistance or reimbursement. Finally, the Department of Taxation indicated that any inability to obtain federal income tax exemption would make state income tax exemption by itself of little value.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 205, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.R. No. 205, S.D. 1.

Signed by all members of the Committee.

SCRep. 1258 Health and Human Services on S.C.R. No. 223

The purpose of this concurrent resolution is to request the Legislative Auditor to evaluate the Certificate of Need (CON) requirements of the State Health Planning and Development Agency (SHPDA).

The CON requirements of SHPDA were established to provide an evaluation process for the costs of a proposed health care facility or service and its benefits in deciding whether it should be approved. Your Committee finds that there have been delays resulting from the CON application and review process.

Your Committee therefore finds that it is necessary to evaluate the entire CON process in an effort to insure that Hawaii residents are provided with the medical care they need.

Your Committee has amended this concurrent resolution by noting that part of the problem may be due to SHPDA's budget and by therefore requesting that current funding levels be evaluated in relation to SHPDA's responsibilities.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 223, S.D. 1.

Signed by all members of the Committee.

SCRep. 1259 Health and Human Services on S.R. No. 202

The purpose of this resolution is to request the Legislative Auditor to evaluate the Certificate of Need (CON) requirements of the State Health Planning and Development Agency (SHPDA).

The CON requirements of SHPDA were established to provide an evaluation process for the costs of a proposed health care facility or service and its benefits in deciding whether it should be approved. Your Committee finds that there have been delays resulting from the CON application and review process.

Your Committee therefore finds that it is necessary to evaluate the entire CON process in an effort to insure that Hawaii residents are provided with the medical care they need.

Your Committee has amended the resolution by noting that part of the problem may be due to SHPDA's budget and by therefore requesting that current funding levels be evaluated in relation to SHPDA's responsibilities.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 202 as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.R. No. 202, S.D. 1.

Signed by all members of the Committee.

SCRep. 1260 Health and Human Services on S.C.R. No. 229

The purpose of this Concurrent Resolution is to request the Legislative Auditor to study the Department of Health contract policies and system regarding adequate funding, quality, and sources of services.

Your Committee finds that Hawaii ranks last in all fifty states in per capita expenditures for services for persons with developmental disabilities, and public financial support is less than half of the national average. Therefore, this whole area needs to be reviewed.

Your Committee received testimony in support of this Concurrent Resolution from the Commission on Persons with Disabilities, the State Planning Council on Developmental Disabilities, and the Hawaii State Department of Health.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 229, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1261 Health and Human Services on S.R. No. 208

The purpose of this Resolution is to request the Legislative Auditor to study the Department of Health contract policies and system regarding adequate funding, quality, and sources of services.

Your Committee finds that Hawaii ranks last in all fifty states in per capita expenditures for services for persons with developmental disabilities, and public financial support is less than half of the national average. Therefore, this whole area needs to be reviewed.

Your Committee received testimony in support of this Resolution from the Commission on Persons with Disabilities, the State Planning Council on Developmental Disabilities, and the Hawaii State Department of Health.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 208 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1262 Tourism and Recreation on S.C.R. No. 48

The purpose of this Concurrent Resolution is to request that certain lands at Kalaoa, North Kona, Island of Hawaii, be set aside for a community park.

Your Committee finds that the citizens in the Kalaoa area of the County of Hawaii want a community park. Your Committee further finds that this park would be of enormous benefit to the residents of the Kalaoa area, and steps should be taken to expedite the process.

The Board of Land and Natural Resources testified in favor of this Concurrent Resolution. There is state land available for a park, but details have yet to be worked out with the County of Hawaii for the park. State land would be set aside by executive order, and the jurisdiction and management of the park would be with the county.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 48 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1263 Tourism and Recreation on S.R. No. 43

The purpose of this Concurrent Resolution is to request that certain lands at Kalaoa, North Kona, Island of Hawaii, be set aside for a community park.

Your Committee finds that the citizens in the Kalaoa area of the County of Hawaii want a community park. Your Committee further finds that this park would be of enormous benefit to the residents of the Kalaoa area, and steps should be taken to expedite the process.

The Board of Land and Natural Resources testified in favor of this Concurrent Resolution. There is state land available for a park, but details have yet to be worked out with the County of Hawaii for the park. State land would be set aside by executive order, and the jurisdiction and management of the park would be with the county.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 43 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1264 Health and Human Services on S.C.R. No. 72

The purpose of this Concurrent Resolution is to evaluate the operations of the Waianae Coast Community Mental Health Center (WCCMHC) and determine the effectiveness of extending the WCCMHC model to other community mental health centers throughout the State of Hawaii.

The WCCMHC is a private, nonprofit organization that provides quality mental health services to Waianae residents and addresses problems in a manner that is oriented to community needs. Your Committee finds that community-based services such as those provided by the WCCMHC have been very effective in responding to the needs of area residents. Your Committee believes that a comprehensive evaluation of these services can be extremely helpful in developing and improving similar services in other areas of the State.

Your Committee has amended this Concurrent Resolution by requesting that the Legislative Auditor seek input from the Department of Health, the Mental Health Association in Hawaii, and the State Advisory Council on Mental Health and Substance Abuse, in determining the effectiveness of extending the WCCMHC model to other community mental health centers. Your Committee has also deleted the requirement that the Legislative Auditor submit its report no later than forty-five days prior to the convening of the regular session of 1992.

Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 72, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 72, S.D. 1.

Signed by all members of the Committee.

SCRep. 1265 Health and Human Services on S.C.R. No. 86

The purpose of this Concurrent Resolution is to request the Departments of Human Services and Health to increase their efforts to maximize federal participation in the provision of expanded services through the Medicaid Program.

While much progress has been made toward maximizing federal participation in the Medicaid Program, your Committee finds that there is still a long way to go before Hawaii can capitalize on additional Federal Medicaid funds.

Your Committee received testimony in support of this measure from the Departments of Health and Human Services, the State Planning Council on Developmental Disabilities, the Hawaii Public Health Association, and the Commission on Persons with Disabilities.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 86 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1266 Health and Human Services on S.R. No. 69

The purpose of this Resolution is to request the Departments of Human Services and Health to increase their efforts to maximize federal participation in the provision of expanded services through the Medicaid Program.

While much progress has been made toward maximizing federal participation in the Medicaid Program, your Committee finds that there is still a long way to go before Hawaii can capitalize on additional Federal Medicaid funds.

Your Committee received testimony in support of this measure from the Departments of Health and Human Services, the State Planning Council on Developmental Disabilities, the Hawaii Public Health Association, and the Commission on Persons with Disabilities.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 69 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1267 Health and Human Services on S.C.R. No. 123

The purpose of this Concurrent Resolution is to request the Department of Health and Mental Health Association of Hawaii to review two specified mainland children's mental health system models for applicability to Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the State Advisory Council on Mental Health and Substance Abuse, the Mental Health Association in Hawai'i, and Catholic Charities.

Your Committee agrees that a review of the Friedman and Ventura County children's mental health models, with a view towards implementing them in Hawaii, would promote much needed improvements in providing mental health services to Hawaii's children.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 123 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1268 Health and Human Services on S.R. No. 101

The purpose of this Resolution is to request the Department of Health and Mental Health Association of Hawaii to review two specified mainland children's mental health system models for applicability to Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, the State Advisory Council on Mental Health and Substance Abuse, the Mental Health Association in Hawai'i, and Catholic Charities.

Your Committee agrees that a review of the Friedman and Ventura County children's mental health models, with a view towards implementing them in Hawaii, would promote much needed improvements in providing mental health services to Hawaii's children.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 101 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1269 Health and Human Services on S.C.R. No. 189

The purpose of this Concurrent Resolution is to reaffirm the intent of Act 307, Session Laws of Hawaii 1986, establishing the Department of Health's Bilingual Health Education program and request a report on its implementation.

Your Committee received testimony in support of this measure from the Department of Health and the Susannah Wesley Community Center. In its testimony, the Department stated that it would report on this program in its annual report. Your Committee has therefore amended this Concurrent Resolution by requesting the information be included in the Department's annual report for 1992.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 189, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 189, S.D. 1.

Signed by all members of the Committee.

SCRep. 1270 Health and Human Services on S.R. No. 169

The purpose of this Resolution is to reaffirm the intent of Act 307, Session Laws of Hawaii 1986, establishing the Department of Health's Bilingual Health Education program and request a report on its implementation.

Your Committee received testimony in support of this measure from the Department of Health and the Susannah Wesley Community Center. In its testimony, the Department stated that it would report on this program in its annual report. Your Committee has therefore amended this Resolution by requesting the information be included in the Department's annual report for 1992.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 169, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 169, S.D. 1.

Signed by all members of the Committee.

SCRep. 1271 Health and Human Services on S.C.R. No. 228

The purpose of this Concurrent Resolution is to request that the Legislature pass a law to require that care home residents receive an adequate allowance for personal expenses.

The current allowance is \$30 per month which may not be adequate. However, there are no guidelines of what the term "personal expenses" includes. A Task Force of representatives of the Department of Health, the Executive Office on Aging, Protection and Advocacy, and representatives from the United Group Home Operation, and Association of Care Home Operators is currently discussing this issue.

Your Committee has therefore amended this Concurrent Resolution to request that the Departments of Health and Human Services submit a definition of the term "personal items" to the Legislature as well as a determination of what an adequate amount would be for personal expenses and suggested legislation to ensure receipt of an adequate amount.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 228, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 228, S.D. 1.

Signed by all members of the Committee.

SCRep. 1272 Health and Human Services on S.R. No. 207

The purpose of this Resolution is to request that the Legislature pass a law to require that care home residents receive an adequate allowance for personal expenses.

The current allowance is \$30 per month which may not be adequate. However, there are no guidelines of what the term "personal expenses" includes. A Task Force of representatives of the Department of Health, the Executive Office on Aging, Protection and Advocacy, and representatives from the United Group Home Operation, and Association of Care Home Operators is currently discussing this issue.

Your Committee has therefore amended this Resolution to request that the Departments of Health and Human Services submit a definition of the term "personal items" to the Legislature as well as a determination of what an adequate amount would be for personal expenses and suggested legislation to ensure receipt of an adequate amount.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 207, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 207, S.D. 1.

Signed by all members of the Committee.

SCRep. 1273 Judiciary on S.C.R. No. 125

The purpose of this resolution is to request the Legislative Reference Bureau to identify the information, data and resources necessary to support a study of the tort liability system.

The resolution also requests the Legislative Reference Bureau to work closely with the State Judiciary, State Attorney General, State Insurance Commissioner, Chamber of Commerce of Hawaii, Hawaii Product Liability Task Force, Hawaii Defense Lawyers Association, and Hawaii Academy of Plaintiffs Attorney in preparing, conducting, and reporting this study.

Your Committee received testimony in support of the resolution from the Product Liability Task Force, the Chamber of Commerce of Hawaii, the Hawaii Insurers Council, the Hawaii Academy of Plaintiffs' Attorneys, and the Hawaii Independent Insurance Agents Association.

The Tort Reform Act of 1986 was passed by the Legislature in response to increasing liability insurance rates and, in some cases, unavailability of liability insurance. The Act was a comprehensive tort reform package, which included, among other things, liability insurance regulations and changes in tort litigation.

Section 31 of the Act originally called for a repeal date of October 1, 1989, for certain provisions of the Act that pertain to rate reduction relief, rebate or credit for excessive rates, prohibition of policy cancellation, nonrenewal of policies, and amendments to Hawaii Revised Statutes that abolish joint and several liability and limit damages recoverable for pain and suffering. In 1989, the repeal date was extended to 1991 to provide for a longer review period during which to evaluate the tort reforms. This year, the repeal date is being extended to 1993.

Your Committee finds that a comprehensive study is necessary to fully evaluate the Tort Reform Act and its impact on liability insurance costs, and to support future legislative decisions in the area of tort reform. This resolution will provide the basic framework to conduct such a study.

Since the study requested by this resolution will logically lead to a subsequent effort to collect and analyze the information, data and resources that are identified, it appears unlikely that comprehensive tort reform legislation will be considered prior to the 1993 session.

Your Committee amended the resolution to include the Hawaii Insurers Council as part of the resource group and to make technical nonsubstantive changes.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 125, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 125, S.D. 1.

Signed by all members of the Committee except Senator Matsuura.

SCRep. 1274 Judiciary on S.R. No. 103

The purpose of this resolution is to request the Legislative Reference Bureau to identify the information, data and resources necessary to support a study of the tort liability system.

The resolution also requests the Legislative Reference Bureau to work closely with the State Judiciary, State Attorney General, State Insurance Commissioner, Chamber of Commerce of Hawaii, Hawaii Product Liability Task Force, Hawaii Defense Lawyers Association, and Hawaii Academy of Plaintiffs Attorney in preparing, conducting, and reporting this study.

Your Committee received testimony in support of the resolution from the Product Liability Task Force, the Chamber of Commerce of Hawaii, the Hawaii Insurers Council, the Hawaii Academy of Plaintiffs' Attorneys, and the Hawaii Independent Insurance Agents Association.

The Tort Reform Act of 1986 was passed by the Legislature in response to increasing liability insurance rates and, in some cases, unavailability of liability insurance. The Act was a comprehensive tort reform package, which included, among other things, liability insurance regulations and changes in tort litigation.

Section 31 of the Act originally called for a repeal date of October 1, 1989, for certain provisions of the Act that pertain to rate reduction relief, rebate or credit for excessive rates, prohibition of policy cancellation, nonrenewal of policies, and amendments to Hawaii Revised Statutes that abolish joint and several liability and limit damages recoverable for pain and suffering. In 1989, the repeal date was extended to 1991 to provide for a longer review period during which to evaluate the tort reforms. This year, the repeal date is being extended to 1993.

Your Committee finds that a comprehensive study is necessary to fully evaluate the Tort Reform Act and its impact on liability insurance costs, and to support future legislative decisions in the area of tort reform. This resolution will provide the basic framework to conduct such a study.

Since the study requested by this resolution will logically lead to a subsequent effort to collect and analyze the information, data and resources that are identified, it appears unlikely that comprehensive tort reform legislation will be considered prior to the 1993 session.

Your Committee amended the resolution to include the Hawaii Insurers Council as part of the resource group and to make technical nonsubstantive changes.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 103, as amended herein, and recommends that it be referred to the Leadership Committee on Legislative Management, in the form attached hereto as S.R. No. 103, S.D. 1.

Signed by all members of the Committee except Senator Matsuura.

SCRep. 1275 Health and Human Services on S.C.R. No. 129

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct a management audit of state programs designed to provide services to individuals with developmental disabilities who require services from multiple agencies.

Your Committee received testimony in support of this measure from the Department of Health and the Commission on Persons with Disabilities.

Your Committee finds that a management audit is not needed but feels that a study of the delivery system will point out areas which could be improved upon. Your Committee therefore has amended this Concurrent Resolution by changing "management audit" to "study."

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 129, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 129, S.D. 1.

Signed by all members of the Committee.

SCRep. 1276 Health and Human Services on H.B. No. 1183

The purpose of this bill is to amend §321-224, Hawaii Revised Statutes to ensure that all citizens have access to a reliable "911" emergency call system. This bill places responsibility for access to a reliable 911 telephone system within the Department of Health.

Through their application on the Island of Oahu, emergency telephone or telephonic systems, often referred to as "911 systems", have proven to be invaluable in the speedy and coordinated response to emergency situations. However, not all counties have a 911 system. Your Committee strongly believes that with the communication technologies available to today's society, a 911 system should be provided for all of Hawaii's citizens. The number "911" is a nationally recognized "call sign" for emergency situations.

Your Committee believes that current statutes do not place the authority for a 911 system under anyone's jurisdiction. This is a dangerous situation, given the fact that the City and County of Honolulu has testified before the State Supreme Court that they are not legally obligated to respond to 911 calls. This bill will respond to these problems and insure that all citizens of Hawaii will begin to have access to a 911 system.

Your Committee also believes it is important to include "aeromedical services" as part of the emergency medical services to clarify the Department of Health's responsibilities throughout the State. This will increase the early response and reliability of the State emergency medical services, especially on the neighbor islands.

Your Committee on Health and Human Services is in accord with the intent and purpose of H.B. No. 1183, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1277 Housing and Hawaiian Programs on S.C.R. No. 185

The purpose of this concurrent resolution is to support and amend the Gov. Action Plan to Address Controversies Under the Hawaiian Home Lands Trust and the Public Land Trust.

Your Committee has amended this concurrent resolution by adding to the list of legislative concerns under the thirteenth whereas clause the following concern:

The extent and nature of individual claims that may be brought as a result of breaches of trust under the Hawaiian Homes Commission Act, as well as the cost and appropriateness of specific remedies.

Your Committee has further amended this concurrent resolution by adding two resolved clauses to provide for an interim legislative committee to explore several issues raised by testifiers at the public hearing on March 26, 1991:

- (1) To explore the issue of land exchanges, transfers, and the return of ceded lands to the department of Hawaiian home lands or the office of Hawaiian affairs, or both;
- (2) To explore the issue of compensation for these land transfers, including the question of going beyond a value-for-value basis, and the right of first refusal when ceded lands are returned to the State;
- (3) To explore allocating twenty per cent of revenues derived from August 1959 to June 15, 1980 to either the department of Hawaiian home lands or the office of Hawaiian affairs if the federal government is required to pay to the State all revenues from leases, rents, and revocable permits from federally controlled ceded lands;
- (4) To prepare legislation to implement the Governor's Action Plan;
- (5) To propose legislation which would implement the findings of the interim committee; and
- (6) To request that the interim committee's findings and recommendations be presented to the Legislature for public hearing and discussion during the regular session of 1992.

The interim committee is to be created by appointments by the President of the Senate from the Senate Committees on Housing and Hawaiian Programs, and Ways and Means, and by the Speaker of the House of Representatives from the House Committees on Water, Land Use and Hawaiian Affairs and Finance, in consultation with the office of Hawaiian home lands, the department of Hawaiian home lands, the office of state planning, and affected community groups.

Your Committee has also added another be it further resolved clause to request that a claims review panel accept, investigate, and develop advisory opinions on the merit and possible compensation of each individual beneficiary claim arising as a result of breaches of trust under the Hawaiian Homes Commission Act that occurred between August 21, 1959 and July 1, 1988, in a report for discussion during the Regular Session of 1993.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 185, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 185, S.D. 1.

Signed by all members of the Committee.

SCRep. 1278 Housing and Hawaiian Programs on S.R. No. 164

The purpose of this resolution is to support and amend the Gov. Action Plan to Address Controversies Under the Hawaiian Home Lands Trust and the Public Land Trust.

Your Committee has amended this resolution by adding to the list of legislative concerns under the thirteenth whereas clause the following concern:

The extent and nature of individual claims that may be brought as a result of breaches of trust under the Hawaiian Homes Commission Act, as well as the cost and appropriateness of specific remedies.

Your Committee has further amended this resolution by adding two resolved clauses to provide for an interim legislative committee to explore several issues raised by testifiers at the public hearing on March 26, 1991:

- (1) To explore the issue of land exchanges, transfers, and the return of ceded lands to the department of Hawaiian home lands or the office of Hawaiian affairs, or both;
- (2) To explore the issue of compensation for these land transfers, including the question of going beyond a value-for-value basis, and the right of first refusal when ceded lands are returned to the State;
- (3) To explore allocating twenty per cent of revenues derived from August 1959 to June 15, 1980 to either the department of Hawaiian home lands or the office of Hawaiian affairs if the federal government is required to pay to the State all revenues from leases, rents, and revocable permits from federally controlled ceded lands;
- (4) To prepare legislation to implement the Governor's Action Plan;

- (5) To propose legislation which would implement the findings of the interim committee; and
- (6) To request that the interim committee's findings and recommendations be presented to the Legislature for public hearing and discussion during the regular session of 1992.

The interim committee is to be created by appointments by the President of the Senate from the Senate Committees on Housing and Hawaiian Programs, and Ways and Means, and by the Speaker of the House of Representatives from the House Committees on Water, Land Use and Hawaiian Affairs and Finance, in consultation with the office of Hawaiian home lands, the department of Hawaiian home lands, the office of state planning, and affected community groups.

Your Committee has also added another be it further resolved clause to request that a claims review panel accept, investigate, and develop advisory opinions on the merit and possible compensation of each individual beneficiary claim arising as a result of breaches of trust under the Hawaiian Homes Commission Act that occurred between August 21, 1959 and July 1, 1988, in a report for discussion during the Regular Session of 1993.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 164, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 164, S.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1279 Housing and Hawaiian Programs on H.C.R. No. 3

The purpose of this Concurrent Resolution is to urge the Housing Finance and Development Corporation to implement provisions of Act 337, 1987 Session Laws of Hawaii, mandating the establishment of the Housing Information System.

The Concurrent Resolution also requests that the Chair of the Board of Directors of the Housing Finance and Development Corporation submit a report of:

- (1) The steps taken prior to January 1991 towards implementing the Housing Information System;
- (2) The progress made between January 1991 and January 1992 toward the implementation of the Housing Information System; and
- (3) The feasibility of integrating the Housing Information System with Hawaii FYI, the State's information gateway.

Your Committee received testimony in support of the Concurrent Resolution from the Housing Finance and Development Corporation.

Your Committee finds that this Concurrent Resolution should expedite the establishment of a comprehensive housing information system which would assist both government and private sector decisionmakers in responding to the housing needs of Hawaii's residents.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 3 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1280 Housing and Hawaiian Programs on S.C.R. No. 33

The purpose of this Concurrent Resolution is to urge the federal government to allow low-income families in Hawaii to share assisted public housing units without loss of benefits.

Hawaii's unique cultural texture and lack of low-cost housing are ideally suited for communal or shared family living; however, federally subsidized housing is by policy restricted to single family occupancy. This Concurrent Resolution requests Congress and HUD to reconsider that policy, and further requests Congress to enact legislation enabling multiple family occupancy.

Your Committee heard testimony by the Director of the Hawaii Housing Authority indicating that shared family arrangements may actually overtax existing, already aging public housing facilities and infrastructure, impact the density of these facilities and the communities surrounding them, and increase maintenance and utility costs. These and other considerations lead your Committee to find that an appropriate alternative to the broad proposal made by this Concurrent Resolution is to urge HUD to enhance the Optional Shared Housing Program under Section 8. As this would allow the State more flexibility in dealing with the issue of shared housing, your Committee has accordingly amended the Concurrent Resolution, including its title.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 33, S.D. 1.

Signed by all members of the Committee.

SCRep. 1281 Housing and Hawaiian Programs on S.C.R. No. 221

The purpose of this Concurrent Resolution is to request the Hawaii Housing Authority to investigate the feasibility of allowing public housing residents to provide home-based child care in their dwelling units.

Your Committee received testimony in support of the resolution from the Hawaii Housing Authority, the Department of Health, and the Office of Children and Youth.

Your Committee finds that the State's child care system is currently unable to meet the needs of many parents for affordable and reliable child care services, with low-income working families being hardest hit by the shortage. The feasibility study requested by this resolution should provide information of great value in determining whether public housing residents should be enlisted to help fill the existing need.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 221 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1282 Housing and Hawaiian Programs on S.R. No. 200

The purpose of this Resolution is to request the Hawaii Housing Authority to investigate the feasibility of allowing public housing residents to provide home-based child care in their dwelling units.

Your Committee received testimony in support of the resolution from the Hawaii Housing Authority, the Department of Health, and the Office of Children and Youth.

Your Committee finds that the State's child care system is currently unable to meet the needs of many parents for affordable and reliable child care services, with low-income working families being hardest hit by the shortage. The feasibility study requested by this Resolution should provide information of great value in determining whether public housing residents should be enlisted to help fill the existing need.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 200 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1283 Employment and Public Institutions on S.C.R. No. 127

The purpose of this Concurrent Resolution is to request the Judiciary and state agencies to establish regional action council demonstration projects to comprehensively plan delivery of public and private sector services to meet the needs of individual communities.

Council functions would include elimination of duplication of services or program resources, identification of services best provided by the public or private sectors and resources required to provide such services, and involvement of the communities in the request-for-proposal procedure. Initially, the regional councils would be developed by county steering committees, after which each council would develop its own operating procedures.

The Concurrent Resolution also includes guidelines for achieving regional council objectives.

Your Committee finds that community input and partnership with the public sector will help ensure that the people of this State have access to and receive the services they need.

Your Committee has amended this Concurrent Resolution by providing for the Departments of Health and Human Services to be the initial agencies requested to establish regional action council demonstration projects. The Department of Health will be the lead agency responsible for reporting to the 1992 Legislature, in consultation with the Department of Human Services. Other agencies, and the Judiciary, may later become involved as the concept is more fully developed and evaluated.

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

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 127, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 127, S.D. 1.

Signed by all members of the Committee .

SCRep. 1284 Employment and Public Institutions on S.R. No. 106

The purpose of this Resolution is to request the Judiciary and state agencies to establish regional action council demonstration projects to comprehensively plan delivery of public and private sector services to meet the needs of individual communities.

Council functions would include elimination of duplication of services or program resources, identification of services best provided by the public or private sectors and resources required to provide such services, and involvement of the communities in the request-for-proposal procedure. Initially, the regional councils would be developed by county steering committees, after which each council would develop its own operating procedures.

The Resolution also includes guidelines for achieving regional council objectives.

Your Committee finds that community input and partnership with the public sector will help ensure that the people of this State have access to and receive the services they need.

Your Committee has amended this Resolution by providing for the Departments of Health and Human Services to be the initial agencies requested to establish regional action council demonstration projects. The Department of Health will be the lead agency responsible for reporting to the 1992 Legislature, in consultation with the Department of Human Services. Other agencies, and the Judiciary, may later become involved as the concept is more fully developed and evaluated.

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

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 106, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 106, S.D. 1.

Signed by all members of the Committee.

SCRep. 1285 (Joint) Judiciary and Employment and Public Institutions on S.C.R. No. 135

The purpose of this resolution is to request the Department of Public Safety to establish a system which enables the Legislature to evaluate how proposals to increase penalties or mandate imprisonment sentences will impact financially on Hawaii's corrections system.

The resolution also requests that, if the Department is unable to establish such a system with its current resources, that the Department submit a proposal which includes any statutory or budgetary requirements prior to the 1992 legislative session.

Numerous amendments have been made to the Hawaii Penal Code since its adoption in 1972. Consistent with the philosophy to "get tougher" with criminals, many of these amendments called for more convictions, tougher penalties and longer incarceration periods.

However, despite the focus on law enforcement and sentencing, little has been done to insure that there are sufficient resources allocated to correction facilities and programs to handle the increasing number of persons incarcerated.

Your Committees find that a fiscal impact evaluation system is necessary to assist the Legislature to better coordinate its efforts in the areas of law enforcement and corrections.

The Department of Public Safety testified that it has sufficient resources to establish such a fiscal impact evaluation system. Therefore, your Committees amended the resolution by deleting the alternative proposal for funds or resources.

Your Committees on Judiciary and Employment and Public Institutions concur with the intent and purpose of S.C.R. No. 135, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 135, S.D. 1.

Signed by all members of the Committees.

SCRep. 1286 (Joint) Judiciary and Employment and Public Institutions on S.R. No. 113

The purpose of this resolution is to request the Department of Public Safety to establish a system which enables the Legislature to evaluate how proposals to increase penalties or mandate imprisonment sentences will impact financially on Hawaii's corrections system.

The resolution also requests that, if the Department is unable to establish such a system with its current resources, that the Department submit a proposal which includes any statutory or budgetary requirements prior to the 1992 legislative session.

Numerous amendments have been made to the Hawaii Penal Code since its adoption in 1972. Consistent with the philosophy to "get tougher" with criminals, many of these amendments called for more convictions, tougher penalties and longer incarceration periods.

However, despite the focus on law enforcement and sentencing, little has been done to insure that there are sufficient resources allocated to correction facilities and programs to handle the increasing number of persons incarcerated.

Your Committees find that a fiscal impact evaluation system is necessary to assist the Legislature to better coordinate its efforts in the areas of law enforcement and corrections.

The Department of Public Safety testified that it has sufficient resources to establish such a fiscal impact evaluation system. Therefore, your Committees amended the resolution by deleting the alternative proposal for funds or resources.

Your Committees on Judiciary and Employment and Public Institutions concur with the intent and purpose of S.R. No. 113, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 113, S.D. 1.

Signed by all members of the Committees.

SCRep. 1287 Judiciary on S.R. No. 139

The purpose of the resolution is to request the Legislative Reference Bureau to study the effect of lowering the age at which a juvenile may be waived to adult criminal courts.

In reaction to incidents involving heinous crimes committed by juveniles under the age of sixteen, there has been growing public sentiment in favor of lowering Hawaii's waiver age and imposing tougher and longer penalties. However, reactions by criminal justice agencies have been mixed. Opponents to lowering the waiver age fear that society will lose

too many juveniles to the adult system who can be rehabilitated under the family court system, and that adult correctional facilities will not have adequate facilities to house and help juveniles.

Your Committee received testimony in support of the bill from the Honolulu Department of the Prosecuting Attorney and United Parents For Education Coalition. The Office of Youth Services opposed any attempt to lower the waiver age and proposed that, rather than lower the age of waiver, jurisdiction of the family court should be extended beyond the age of minority for those extreme but exceptional cases involving serious juveniles offenders.

Your Committee amended the resolution to request that the Legislative Reference Bureau also study the effects of extending the jurisdiction of the family court to enhance its sentencing options for serious juvenile offenders as an alternative or addition to waiver. The title was amended to reflect the broader scope of the study.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 159, as amended herein, and recommends that it be referred to the Leadership Committee on Legislative Management, in the form attached hereto as S.R. No. 159, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 1288 Ways and Means on S.R. No. 199

The purpose of this resolution is to establish the senate ways and means committee as an investigative committee under chapter 21, Hawaii Revised Statutes, to investigate any aspect of the expenditure of state funds until March 1, 1992.

Your Committee finds that although it is the responsibility of the legislature to specify the use and authorize the expenditure of state funds, relatively little oversight is exercised subsequent to the passage of the biennial and supplemental budget acts of the State to ensure their full and proper implementation. Your Committee finds that it is imperative that the funds of the State be expended in compliance with the goals and objectives established by the legislature.

Given the authority to investigate the use and expenditure of state funds, your Committee finds that it will be better able to expedite the priorities identified by the legislature. Your Committee further finds that this resolution will also enable your Committee to be better prepared to confront the questions and concerns that may arise with respect to the state budget during the upcoming fiscal cycle.

Your Committee on Ways and Means concurs with the intent and purpose of S.R. No. 199 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1289 Consumer Protection and Business Regulation on S.C.R. No. 65

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct an assessment of the social and financial impacts of mandating insurance coverage for temporomandibular disorders (TMDs).

Under current law, insurers are not mandated to cover TMD services under their health insurance policies. Your Committee finds that in order to ensure appropriate health care for the citizens of the State, an assessment of the implications of requiring insurance coverage for TMD services is warranted at this time.

Your Committee has amended this Concurrent Resolution by inserting language specifying that there is no clear agreement among oral surgeons, medical specialists, and the American Dental Association on the appropriateness of surgery to correct TMD. Technical, nonsubstantive amendments have also been made for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.C.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 65, S.D. 1.

Signed by all members of the Committee.

SCRep. 1290 Consumer Protection and Business Regulation on S.C.R. No. 215

The purpose of this Concurrent Resolution is to notify Hawaii's congressional delegation of the important role of the states and the dual banking system in the regulation of financial institutions.

Currently, Congress is discussing proposals that would diminish and impair the role of the states in enacting appropriate legislation regarding interstate banking and interstate branching. Specifically, the Congress is considering legislation proposed by the Treasury Department to permit nationwide interstate banking and interstate branching within three years. This may not be in the best interests of Hawaii banks.

Your Committee believes that the regulation of financial institutions, including issues relating to interstate banking and interstate branching, should be governed and controlled at the state level, without undue influence from federal law.

Your Committee has amended this Concurrent Resolution by making a technical, nonsubstantive amendment for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.C.R. No. 215, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 215, S.D. 1.

Signed by all members of the Committee.

SCRep. 1291 Consumer Protection and Business Regulation on S.R. No. 193

The purpose of this Resolution is to notify Hawaii's congressional delegation of the important role of the states and the dual banking system in the regulation of financial institutions.

Currently, Congress is discussing proposals that would diminish and impair the role of the states in enacting appropriate legislation regarding interstate banking and interstate branching. Specifically, the Congress is considering legislation proposed by the Treasury Department to permit nationwide interstate banking and interstate branching within three years. This may not be in the best interests of Hawaii banks.

Your Committee believes that the regulation of financial institutions, including issues relating to interstate banking and interstate branching, should be governed and controlled at the state level, without undue influence from federal law.

Your Committee has amended this Resolution by making a technical, nonsubstantive amendment for purposes of clarity and style.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.R. No. 193, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 193, S.D. 1.

Signed by all members of the Committee.

SCRep. 1292 Consumer Protection and Business Regulation on S.R. No. 167

The purpose of this Resolution is to request the Senate Committee on Consumer Protection and Business Regulation to study and review the issues relating to the rising cost of motor vehicle insurance.

Over the years, there has been much discussion and debate regarding the problems of Hawaii's no fault insurance law. Your Committee believes that the Legislature needs current information and relevant data in order to effectively deal with the rising cost of auto insurance premiums, while balancing the rights and needs of consumers, insurers, and health care providers.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.R. No. 167 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1293 (Joint) Consumer Protection and Business Regulation and Housing and Hawaiian Programs on S.C.R. No. 187

The purpose of this Concurrent Resolution is to request the Hawaii Community Reinvestment Corporation (HCRC) to conduct a study on the feasibility of establishing a mortgage insurance program funded by the State or other sources.

The HCRC is a non-profit corporation established by local financial institutions to provide a \$50 million revolving loan pool to finance affordable rental developments in Hawaii. Given the enormous demand for affordable rental housing, it is anticipated the revolving loan fund will be quickly exhausted. In order to replenish the loan pool, the HCRC intends to package loans for sale on the secondary market. Testimony indicated that similar non-profit corporations on the mainland found that the establishment of a state mortgage guarantee fund greatly enhanced the salability of loans on the secondary market. This Concurrent Resolution is the starting point for determining the best means and structure for establishing a State mortgage insurance program.

Your Committees have amended this Concurrent Resolution by adding language that emphasizes the HCRC's role in assisting the State and county governments in fulfilling their responsibilities in providing affordable housing.

Your Committees on Consumer Protection and Business Regulation and Housing and Hawaiian Programs concur with the intent and purpose of S.C.R. No. 187, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 187, S.D. 1.

Signed by all members of the Committees.

SCRep. 1294 (Joint) Consumer Protection and Business Regulation and Housing and Hawaiian Programs on S.R. No. 166

The purpose of this Resolution is to request the Hawaii Community Reinvestment Corporation (HCRC) to conduct a study on the feasibility of establishing a mortgage insurance program funded by the State or other sources.

The HCRC is a non-profit corporation established by local financial institutions to provide a \$50 million revolving loan pool to finance affordable rental developments in Hawaii. Given the enormous demand for affordable rental housing, it is anticipated the revolving loan fund will be quickly exhausted. In order to replenish the loan pool, the HCRC intends to package loans for sale on the secondary market. Testimony indicated that similar non-profit corporations on the mainland found that the establishment of a state mortgage guarantee fund greatly enhanced the salability of loans on the secondary market. This Resolution is the starting point for determining the best means and structure for establishing a State mortgage insurance program.

Your Committees have amended this Resolution by adding language that emphasizes the HCRC's role in assisting the State and county governments in fulfilling their responsibilities in providing affordable housing.

Your Committees on Consumer Protection and Business Regulation and Housing and Hawaiian Programs concur with the intent and purpose of S.R. No. 166, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 166, S.D. 1.

Signed by all members of the Committees except Senator Reed.

LCRep. 1295 Executive Appointments on Gov. Msg. No. 56

Recommending that the Senate advise and consent to the nomination of RUSSEL S. NAGATA for Comptroller, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1296 Executive Appointments on Gov. Msg. No. 69

Recommending that the Senate advise and consent to the nomination of RICHARD F. KAHLE JR. for Director of Taxation, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1297 Executive Appointments on Gov. Msg. No. 63

Recommending that the Senate advise and consent to the nomination of JOHN C. LEWIN, M.D., for Director of Health, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1298 Executive Appointments on Gov. Msg. No. 254

Recommending that the Senate consent to the nomination of HERBERT K. SHIMABUKURO for Judge of the Circuit Court of the First Circuit, for a term of ten years, in accordance with the provisions of Article VI, Section 3, of the Hawaii State Constitution.

Signed by all members of the Committee.

SCRep. 1299 Employment and Public Institutions on S.C.R. No. 29

The purpose of this Concurrent Resolution is to respectfully request that the Coast Guard Station at Sand Island be relocated to enable the State to use that acreage for Honolulu waterfront redevelopment.

The State is engaged in long-range redevelopment of the Honolulu waterfront from Magic Island to Keehi Lagoon. Sand Island constitutes a major segment of the redevelopment area, and is ideally suited for parks, ocean recreation, and light industry as contemplated by the Honolulu Waterfront Master Plan. The acreage occupied by the Coast Guard Station, if utilized for these purposes, would provide economic, recreational, and social benefits to Hawaii's citizens, visitors, and military residents and dependents for generations to come.

This Concurrent Resolution requests that consideration be given to relocating the Coast Guard Station on suitable acreage outside of the Honolulu waterfront redevelopment area. The new location would be determined jointly by the Coast Guard, the federal government, the Legislature, and the State Administration, and transferred through a land exchange or other means agreeable to all parties.

Your Committee has amended this Concurrent Resolution by interpolating references to the United States Department of Transportation as the Coast Guard's parent agency, deleting references to the United States Department of Defense and the Chairman of the United States Joint Chiefs of Staff, and providing for certified copies to be transmitted to each member of Hawaii's Congressional Delegation as well as the Secretary of Transportation. Your Committee has also made some technical changes that have no substantive effect.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 29, S.D. 1.

Signed by all members of the Committee.

SCRep. 1300 Employment and Public Institutions on S.R. No. 30

The purpose of this Resolution is to respectfully request that the Coast Guard Station at Sand Island be relocated to enable the State to use that acreage for Honolulu waterfront redevelopment.

The State is engaged in long-range redevelopment of the Honolulu waterfront from Magic Island to Keehi Lagoon. Sand Island constitutes a major segment of the redevelopment area, and is ideally suited for parks, ocean recreation, and light industry as contemplated by the Honolulu Waterfront Master Plan. The acreage occupied by the Coast Guard Station, if utilized for these purposes, would provide economic, recreational, and social benefits to Hawaii's citizens, visitors, and military residents and dependents for generations to come.

This Resolution requests that consideration be given to relocating the Coast Guard Station on suitable acreage outside of the Honolulu waterfront redevelopment area. The new location would be determined jointly by the Coast Guard, the federal government, the Legislature, and the State Administration, and transferred through a land exchange or other means agreeable to all parties.

Your Committee has amended this Resolution by interpolating references to the United States Department of Transportation as the Coast Guard's parent agency, deleting references to the United States Department of Defense and the Chairman of the United States Joint Chiefs of Staff, and providing for certified copies to be transmitted to each member of Hawaii's Congressional Delegation as well as the Secretary of Transportation. Your Committee has also made some technical changes that have no substantive effect.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 30, S.D. 1.

Signed by all members of the Committee.

SCRep. 1301 Employment and Public Institutions on S.C.R. No. 140

The purpose of this Concurrent Resolution is to urge the Department of Labor and Industrial Relations (DLIR) to ensure that employers comply with state and federal regulations and guidelines relating to exposure of health care workers (HCW's) to Human Immunodeficiency Virus (HIV) and Hepatitis B (HBV).

To accomplish this, HCW's must be made aware of and comply with requirements relating to preventive and prophylactic treatment and federal and state laws designed to provide protection against occupational exposure to blood-borne illnesses. The DLIR and the Department of Health are requested to review Workers' Compensation cases relating to HIV and HVB disabilities to determine whether appropriate coverage is provided by law, and the Hawaii Civil Rights Commission is requested to become versed on applicable state and federal laws and guidelines in order to monitor and appropriately rule on the civil rights aspects of HIV and HVB-related occupational exposure violations.

Your Committee received supporting testimony from the Director of Health, the Director of Labor and Industrial Relations, and the Gov. Committee on AIDS, and finds that there is evidence of discrepancies in adherence to state and federal requirements, and that actual workplace exposure to HIV and HVB can be significantly reduced through conscientious compliance and increased educational efforts in the public and private sectors. Vigorous implementation of the actions requested by this Concurrent Resolution will protect the health and well-being of Hawaii's valuable HCW's and will help to stimulate cooperation between the public and private sectors in responding to these dread diseases.

Your Committee has amended this Concurrent Resolution by clarifying that the State Department of Occupational Safety and Health is requested to ensure that health care employers make available both HIV/HBV preventive measures and prophylactic treatment, when applicable, and by deleting the requirement that the DLIR review existing workers' compensation cases relating to HIV and HBV disabilities to determine whether adequate coverage is provided by law. Your Committee has also made nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.C.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by all members of the Committee.

SCRep. 1302 Employment and Public Institutions on S.R. No. 117

The purpose of this Resolution is to urge the Department of Labor and Industrial Relations (DLIR) to ensure that employers comply with state and federal regulations and guidelines relating to exposure of health care workers (HCW's) to Human Immunodeficiency Virus (HIV) and Hepatitis B (HBV).

To accomplish this, HCW's must be made aware of and comply with requirements relating to preventive and prophylactic treatment and federal and state laws designed to provide protection against occupational exposure to blood-borne illnesses. The DLIR and the Department of Health are requested to review Workers' Compensation cases relating to HIV and HVB disabilities to determine whether appropriate coverage is provided by law, and the Hawaii Civil Rights Commission is requested to become versed on applicable state and federal laws and guidelines in order to monitor and appropriately rule on the civil rights aspects of HIV and HVB-related occupational exposure violations.

Your Committee received supporting testimony from the Director of Health, the Director of Labor and Industrial Relations, and the Gov. Committee on AIDS, and finds that there is evidence of discrepancies in adherence to state and federal requirements, and that actual workplace exposure to HIV and HVB can be significantly reduced through conscientious compliance and increased educational efforts in the public and private sectors. Vigorous implementation of the actions requested by this Resolution will protect the health and well-being of Hawaii's valuable HCW's and will help to stimulate cooperation between the public and private sectors in responding to these dread diseases.

Your Committee has amended this Resolution by clarifying that the State Department of Occupational Safety and Health is requested to ensure that health care employers make available both HIV/HBV preventive measures and prophylactic treatment, when applicable, and by deleting the requirement that the DLIR review existing workers' compensation cases relating to HIV and HBV disabilities to determine whether adequate coverage is provided by law. Your Committee has also made nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of S.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 117, S.D. 1.

Signed by all members of the Committee.

SCRep. 1303 Science, Technology and Economic Development on S.R. No. 48

The purpose of this Resolution is to urge the United States Congress to reinstate the federal income tax credit previously allowed for the installation of solar energy conservation measures.

Supporting testimony was heard from the Department of Business, Economic Development and Tourism, and Hawaiian Electric Company. With the previous tax credit, there was a growing solar industry in the State which was successful in installing many solar systems for energy conservation and reduced dependence on foreign oil. Recent events in the Middle East reinforce the importance of reestablishing the country's commitment towards energy independence. The reinstatement of the federal tax credits for solar energy conservation systems will reaffirm the national goal of energy independence and support the State's goal to reduce its dependence on foreign oil.

Your Committee has adopted the amendments recommended by the Hawaiian Electric Company to include heat pump water heaters as a qualified energy conservation measure.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 48, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 48, S.D. 1.

Signed by all members of the Committee.

SCRep. 1304 Science, Technology and Economic Development on S.C.R. No. 17

The purpose of this Concurrent Resolution is to seek authorization from the United States Foreign-Trade Zone Board to establish, operate, and maintain a Foreign-Trade Zone within the County of Hawaii.

Foreign-Trade Zones are an attractive and effective means of encouraging economic activity because business activities such as manufacturing, assembly, storage, distribution, exhibiting, testing, sampling and modifying goods or products may be undertaken in a Foreign-Trade Zone without the deposit of government fees. The County of Hawaii is actively pursuing expansion and diversification of its economic base, and presently has sufficient infrastructure and resources to accommodate an increase in business activity that a Foreign-Trade Zone would generate.

Your Committee finds that establishment of a Foreign-Trade Zone in the County of Hawaii is an excellent means of facilitating increased economic development on the Big Island, and is a worthy endeavor.

Your Committee heard testimony in support of this measure from the Department of Business, Economic Development and Tourism and from the County of Hawaii. The County of Hawaii testified that it is actively seeking the establishment of a Foreign-Trade Zone at Hilo, and is currently in the process of preparing an application for submittal to the Foreign-Trade Zone Board by July 1991.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1305 Science, Technology and Economic Development on S.R. No. 20

The purpose of this Resolution is to seek authorization from the United States Foreign-Trade Zone Board to establish, operate, and maintain a Foreign-Trade Zone within the County of Hawaii.

Foreign-Trade Zones are an attractive and effective means of encouraging economic activity because business activities such as manufacturing, assembly, storage, distribution, exhibiting, testing, sampling and modifying goods or products may be undertaken in a Foreign-Trade Zone without the deposit of government fees. The County of Hawaii is actively pursuing expansion and diversification of its economic base, and presently has sufficient infrastructure and resources to accommodate an increase in business activity that a Foreign-Trade Zone would generate.

Your Committee finds that establishment of a Foreign-Trade Zone in the County of Hawaii is an excellent means of facilitating increased economic development on the Big Island, and is a worthy endeavor.

Your Committee heard testimony in support of this measure from the Department of Business, Economic Development and Tourism and from the County of Hawaii. The County of Hawaii testified that it is actively seeking the establishment of a Foreign-Trade Zone at Hilo, and is currently in the process of preparing an application for submittal to the Foreign-Trade Zone Board by July 1991.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 20 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1306 Science, Technology and Economic Development on S.C.R. No. 41

The purpose of this Concurrent Resolution is to urge the United States Congress to enact legislation which would provide tax credits to motorists to encourage the conversion of automobiles from gasoline to liquified petroleum gas.

Testimony in support of this Concurrent Resolution was received from the Gas Company.

Your Committee finds that Liquefied Petroleum Gas is a proven alternative to gasoline as a transportation fuel. It has been used successfully for many years in many other countries. Environmentally, emissions from internal combustion engines operating on liquefied petroleum gas are well below the emission levels of gasoline powered engines.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 41 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1307 Science, Technology and Economic Development on S.R. No. 38

The purpose of this Resolution is to urge the United States Congress to enact legislation which would provide tax credits to motorists to encourage the conversion of automobiles from gasoline to liquefied petroleum gas.

Testimony in support of this Resolution was received from the Gas Company.

Your Committee finds that Liquefied Petroleum Gas is a proven alternative to gasoline as a transportation fuel. It has been used successfully for many years in many other countries. Environmentally, emissions from internal combustion engines operating on liquefied petroleum gas are well below the emission levels of gasoline powered engines.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 38 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1308 Science, Technology and Economic Development on S.C.R. No. 205

The purpose of this Concurrent Resolution is to reaffirm the State's commitment to energy self-sufficiency.

Your Committee heard supporting testimony from the Department of Business, Economic Development, and Tourism, and the Hawaii Electric Company. This Concurrent Resolution recognizes the need for the State to continue developing alternate sources of energy to reduce its dependence on foreign oil. The State is fortunate to have indigenous sources of energy such as ocean thermal, geothermal, solar and wind energy conversion which can be further developed as alternatives to oil. Recent events in the Middle East reinforce the importance of reestablishing the State's commitment towards energy self-sufficiency.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 205 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1309 Science, Technology and Economic Development on S.R. No. 181

The purpose of this Resolution is to reaffirm the State's commitment to energy self-sufficiency.

Your Committee heard supporting testimony from the Department of Business, Economic Development, and Tourism, and the Hawaii Electric Company. This Concurrent Resolution recognizes the need for the State to continue developing alternate sources of energy to reduce its dependence on foreign oil. The State is fortunate to have indigenous sources of energy such as ocean thermal, geothermal, solar and wind energy conversion which can be further developed as alternatives to oil. Recent events in the Middle East reinforce the importance of reestablishing the State's commitment towards energy self-sufficiency.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 181 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1310 Science, Technology and Economic Development on S.C.R. No. 232

The purpose of this Concurrent Resolution is to request the President of the United States and the United States Congress to oppose passage of legislation similar to last year's proposed federal "Textile, Apparel, and Footwear Trade Act of 1990", and to oppose other federal action that would restrict the importation of textiles, apparel, and footwear intended for Hawaii's garment manufacturing, wholesaling, and retailing industries.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism, the Chamber of Commerce of Hawaii, the Retail Merchants of Hawaii, the Hawaii Fashion Industry Association, and various local apparel manufacturers and retailers.

Hawaii's local garment manufacturing, wholesaling and retailing industry's need for textiles cannot be served by domestic textile suppliers. This is because domestic suppliers require minimum yardage orders that are three to five times as large as Hawaii's need, further the complex designs required by the local industry cannot be run on a domestic mill, and finally, the print runs needed are so limited that no domestic supplier will product them.

Last year the United States Congress passed the "Textile, Apparel, and Footwear Trade Act of 1990". This act would have limited future increase in imported textiles and apparel to one percent per year and would provide for a quota

auctioning program. The proposed limits on textile imports would affect the Hawaii garment industry by sharply limiting the amount of textiles that could be brought in. Further, the quota auctioning could cut Hawaii's industry out of the imported textile market completely, given the local manufacturers' lack of economic clout to competitively bid against the larger mainland manufacturers. The projected effects of enactment of the bill are the elimination of Hawaii's garment manufacturing industry, a reduction in the numbers of garment and apparel retailers throughout the nation, reduced selection of garments and apparel in the retail stores, and increased retail prices for these articles.

Fortunately, a presidential veto killed the measure. However, a measure similar to the one vetoed is expected to be introduced again this year. Your Committee finds that passage of the measure would have serious detrimental effects on the State's garment manufacturing, wholesaling and retailing industry. The local garment industry is the State's fourth largest employer and producer of manufactured goods, employing approximately 4,100 people with annual total revenues of \$71 million. The State of Hawaii can ill afford to have a measure similar to the proposed "Textile, apparel, and Footwear Trade Act of 1990" enacted.

Your Committee has amended the measure by adding sections specifically urging the State's Congressional Delegation to vigorously oppose textile and apparel import quota limitations and quota auctioning, as well as to pursue exceptions for Hawaii's imports of textiles for manufacture of "Aloha attire". Your Committee has also amended the measure by including additional facts and figures that emphasize the importance of Hawaii's garment manufacturing, wholesaling and retailing industry to the State's economy. Finally, other nonsubstantive amendments were made for the purpose of style and clarity.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.C.R. No. 232, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 232, S.D. 1.

Signed by all members of the Committee.

SCRep. 1311 Science, Technology and Economic Development on S.R. No. 211

The purpose of this Resolution is to request the President of the United States and the United States Congress to oppose passage of legislation similar to last year's proposed federal "Textile, Apparel, and Footwear Trade Act of 1990", and to oppose other federal action that would restrict the importation of textiles, apparel, and footwear intended for Hawaii's garment manufacturing, wholesaling, and retailing industries.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism, the Chamber of Commerce of Hawaii, the Retail Merchants of Hawaii, the Hawaii Fashion Industry Association, and various local apparel manufacturers and retailers.

Hawaii's local garment manufacturing, wholesaling and retailing industry's need for textiles cannot be served by domestic textile suppliers. This is because domestic suppliers require minimum yardage orders that are three to five times as large as Hawaii's need, further the complex designs required by the local industry cannot be run on a domestic mill, and finally, the print runs needed are so limited that no domestic supplier will product them.

Last year the United States Congress passed the "Textile, Apparel, and Footwear Trade Act of 1990". This act would have limited future increase in imported textiles and apparel to one percent per year and would provide for a quota auctioning program. The proposed limits on textile imports would affect the Hawaii garment industry by sharply limiting the amount of textiles that could be brought in. Further, the quota auctioning could cut Hawaii's industry out of the imported textile market completely, given the local manufacturers' lack of economic clout to competitively bid against the larger mainland manufacturers. The projected effects of enactment of the bill are the elimination of Hawaii's garment manufacturing industry, a reduction in the numbers of garment and apparel retailers throughout the nation, reduced selection of garments and apparel in the retail stores, and increased retail prices for these articles.

Fortunately, a presidential veto killed the measure. However, a measure similar to the one vetoed is expected to be introduced again this year. Your Committee finds that passage of the measure would have serious detrimental effects on the State's garment manufacturing, wholesaling and retailing industry. The local garment industry is the State's fourth largest employer and producer of manufactured goods, employing approximately 4,100 people with annual total revenues of \$71 million. The State of Hawaii can ill afford to have a measure similar to the proposed "Textile, apparel, and Footwear Trade Act of 1990" enacted.

Your Committee has amended the measure by adding sections specifically urging the State's Congressional Delegation to vigorously oppose textile and apparel import quota limitations and quota auctioning, as well as to pursue exceptions for Hawaii's imports of textiles for manufacture of "Aloha attire". Your Committee has also amended the measure by including additional facts and figures that emphasize the importance of Hawaii's garment manufacturing, wholesaling and retailing industry to the State's economy. Finally, other nonsubstantive amendments were made for the purpose of style and clarity.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of S.R. No. 211, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 211, S.D. 1.

Signed by all members of the Committee.

SCRep. 1312 (Joint) Science, Technology and Economic Development and Employment and Public Institutions on S.C.R. No. 175

The purpose of this Concurrent Resolution is to request the Department of Accounting and General Services (DAGS) to conduct a study to determine: 1) types of alternative fuels currently available for motor vehicles; 2) the cost of converting and retrofitting existing state motor vehicles to use the alternative fuels; 3) the incremental cost of purchasing new state

motor vehicles that use alternative fuels; and 4) short and long term economic and other benefits/disadvantages of using alternative fuels for all or part of the state motor pool.

Testimony in support of this Concurrent Resolution was received from The Gas Company, the Department of Business, Economic Development, and Tourism (DBED), and DAGS. Since DBED has on-going projects on alternate fuels, it was determined that DBED should take the lead in this evaluation with the support of DAGS.

Your Committees have amended the bill by changing the department in charge of the study to the Department of Business, Economic Development, and Tourism.

Your Committees on Science, Technology and Economic Development and Employment and Public Institutions concur with the intent and purpose of S.C.R. No. 175, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 175, S.D. 1.

Signed by all members of the Committees.

SCRep. 1313 (Joint) Science, Technology and Economic Development and Employment and Public Institutions on S.R. No. 154

The purpose of this Resolution is to request the Department of Accounting and General Services (DAGS) to conduct a study to determine: 1) types of alternative fuels currently available for motor vehicles; 2) the cost of converting and retrofitting existing state motor vehicles to use the alternative fuels; 3) the incremental cost of purchasing new state motor vehicles that use alternative fuels; and 4) short and long term economic and other benefits/disadvantages of using alternative fuels for all or part of the state motor pool.

Testimony in support of this Resolution was received from The Gas Company, the Department of Business, Economic Development, and Tourism (DBED), and DAGS. Since DBED has on-going projects on alternate fuels, it was determined that DBED should take the lead in this evaluation with the support of DAGS.

Your Committees have amended the bill by changing the department in charge of the study to the Department of Business, Economic Development, and Tourism.

Your Committees on Science, Technology and Economic Development and Employment and Public Institutions concur with the intent and purpose of S.R. No. 154, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 154, S.D. 1.

Signed by all members of the Committees.

SCRep. 1314 Health and Human Services on S.C.R. No. 73

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct an assessment of the social and financial effects of requiring health insurers to provide 100 percent coverage for all immunizations for children required by the Department of Health.

The use of vaccines has resulted in a reduction in the incidence of many communicable diseases, however, in order to be effective, it is critical that children complete the basic immunization series by age two. Your Committee is committed to ensuring that all children receive needed health care services, and believes that this Concurrent Resolution will provide information on how compliance with immunization requirements can be improved.

Your Committee has amended this Concurrent Resolution by:

- (1) Including the results of a survey which indicated that by age five, 99.7 percent of Hawaii's children had received all of the Department of Health's recommended vaccines;
- (2) Noting that the lack of education about immunization and the lack of access to immunization are factors contributing to the lower rate of immunization among young children, and that if education efforts were increased, compliance with immunization requirements could improve;
- (3) Clarifying that in cases where insurance coverage is provided for immunization, fifty to ninety percent of the cost of the vaccine is covered;
- (4) Requesting that the Legislative Auditor consider any other factors to encourage compliance with immunization requirements; and
- (5) Deleting the requirement that the Legislative Auditor submit its report to the Legislature no later than twenty days prior to the convening of the 1992 Regular Session.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 73, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 73, S.D. 1.

Signed by all members of the Committee.

SCRep. 1315 Health and Human Services on S.C.R. No. 88

The purpose of this Concurrent Resolution is to request an examination of the Pepper Commission's recommendations on health care reform.

Your Committee received testimony in support of this measure from the Department of Health and Kahuku Hospital. The Department of Health testimony pointed out that a number of other national organizations have also researched health insurance reforms and the recommendations made by them should be studied as well.

Your Committee has therefore amended this Concurrent Resolution by requesting that the recommendations of the American Medical Association; the National Health Leadership, Development Group; and the Urban Institute also be examined. Your Committee has amended the title accordingly.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 88, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by all members of the Committee.

SCRep. 1316 Health and Human Services on S.C.R. No. 230

The purpose of this Concurrent Resolution is to request the Department of Health to convene a committee to develop policy recommendations regarding health care workers infected with Human Immunodeficiency virus or Hepatitis B.

Your Committee received testimony in support of this measure from the Gov. Committee on AIDS, the Department of Health, the Hemophilia Foundation of Hawaii, the Hawaii Federation of Physicians & Dentists, the Commission on Persons with Disabilities, and the Hawaii Nurses' Association.

Our understanding of AIDS continues to evolve and, because of the nature of the syndrome, quick responses are essential as new methods of protection and prevention in health care situations are developed. A policy committee to focus on these issues would permit an immediate response. Since transmission of the Hepatitis B virus is similar, measures taken relating to HIV would also be effective in protecting against Hepatitis B.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 230 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1317 Health and Human Services on S.R. No. 209

The purpose of this Resolution is to request the Department of Health to convene a committee to develop policy recommendations regarding health care workers infected with Human Immunodeficiency virus or Hepatitis B.

Your Committee received testimony in support of this measure from the Gov. Committee on AIDS, the Department of Health, the Hemophilia Foundation of Hawaii, the Hawaii Federation of Physicians & Dentists, the Commission on Persons with Disabilities, and the Hawaii Nurses' Association.

Our understanding of AIDS continues to evolve and, because of the nature of the syndrome, quick responses are essential as new methods of protection and prevention in health care situations are developed. A policy committee to focus on these issues would permit an immediate response. Since transmission of the Hepatitis B virus is similar, measures taken relating to HIV would also be effective in protecting against Hepatitis B.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 209 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1318 Health and Human Services on S.C.R. No. 235

The purpose of this Concurrent Resolution is to urge those in the health care field to use suggested Bills of Rights for health care workers and patients and consumers in their standard operating procedures.

Your Committee received testimony in support of this measure from the Department of Health, the Gov. Committee on AIDS, the Hawaii Nurses' Association, and the Hemophilia Foundation of Hawaii.

These Bills of Rights, developed by the Gov. Committee on AIDS, present the rights and duties of health care workers and patients and consumers in concise statements. If incorporated in health care givers' operations, these measures will not only protect people but will also increase their confidence in the health care system.

On the recommendation of the Gov. Committee on AIDS, your Committee has amended this Concurrent Resolution by including both Bills of Rights in the body of the Concurrent Resolution.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 235, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 235, S.D. 1.

Signed by all members of the Committee.

SCRep. 1319 Health and Human Services on S.R. No. 214

The purpose of this Resolution is to urge those in the health care field to use suggested Bills of Rights for health care workers and patients and consumers in their standard operating procedures.

Your Committee received testimony in support of this measure from the Department of Health, the Gov. Committee on AIDS, the Hawaii Nurses' Association, and the Hemophilia Foundation of Hawaii.

These Bills of Rights, developed by the Gov. Committee on AIDS, present the rights and duties of health care workers and patients and consumers in concise statements. If incorporated in health care givers' operations, these measures will not only protect people but will also increase their confidence in the health care system.

On the recommendation of the Gov. Committee on AIDS, your Committee has amended this Resolution by including both Bills of Rights in the body of the Resolution.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 214, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 214, S.D. 1.

Signed by all members of the Committee.

SCRep. 1320 Housing and Hawaiian Programs on S.C.R. No. 184

The purpose of this Concurrent Resolution is to reject the Gov. action plan relating to the disposition of controversies involving the Hawaiian Home Lands trust and the Public Land trust.

Your Committee has amended the Concurrent Resolution to delete both the title and substance and insert a new title to read as follows:

"Senate Concurrent Resolution Recognizing the Year 1993 as the One Hundredth Anniversary of the Overthrow of the Independent Nation of Hawaii."

The purpose of this Concurrent Resolution, as amended, is to proclaim that the year 1993 serve the State as a year of special reflection on the rights and dignity of native Hawaiians and to contemplate the present and future role of people of every race who constitute modern Hawaiian society.

The year 1993 marks the centennial of the military conquest of the independent nation of Hawaii by forces of the United States, and the Congress of the United States has come to recognize the significance of the overthrow of the Hawaiian monarchy.

Your Committee recognizes the inherent right of all people, irrespective of race, to exercise political independence and self-determination.

Testimony in support of this Concurrent Resolution was submitted by the Office of Hawaiian Affairs and the Hawaii Council for the Year 1993 and Beyond.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 184, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 184, S.D. 1.

Signed by all members of the Committee.

SCRep. 1321 Housing and Hawaiian Programs on S.R. No. 163

The purpose of this Resolution is to reject the Gov. action plan relating to the disposition of controversies involving the Hawaiian Home Lands trust and the Public Land trust.

Your Committee has amended the Resolution to delete both the title and substance and insert a new title to read as follows:

"Senate Resolution Recognizing the Year 1993 as the One Hundredth Anniversary of the Overthrow of the Independent Nation of Hawaii."

The purpose of this Resolution, as amended, is to proclaim that the year 1993 serve the State as a year of special reflection on the rights and dignity of native Hawaiians and to contemplate the present and future role of people of every race who constitute modern Hawaiian society.

The year 1993 marks the centennial of the military conquest of the independent nation of Hawaii by forces of the United States, and the Congress of the United States has come to recognize the significance of the overthrow of the Hawaiian monarchy.

Your Committee recognizes the inherent right of all people, irrespective of race, to exercise political independence and self-determination.

Testimony in support of this Resolution was submitted by the Office of Hawaiian Affairs and the Hawaii Council for the Year 1993 and Beyond.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 163, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 163, S.D. 1.

Signed by all members of the Committee.

SCRep. 1322 Education on S.C.R. No. 27

The purpose of this Concurrent Resolution is to request the Department of Education to establish a Navy Jr. Reserve Officer Training Corps (ROTC) program at Campbell High School.

The Department of Education testified in support of this measure, stating that 61 Campbell High School students are currently on district exception to Radford High School for its ROTC program. In addition, a student interest survey indicated that 130 students at Campbell High School are interested in the ROTC program.

Your Committee finds that Campbell High School's proximity to Barber's Point Naval Air Station and the Iroquois Point military housing, and its four-year partnership with Barber's Point, has contributed to the continuing interest of parents and students in the ROTC program.

Your Committee has amended this Concurrent Resolution by providing for certified copies of the measure to be sent to Hawaii's congressional delegation.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 27, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 27, S.D. 1.

Signed by all members of the Committee.

SCRep. 1323 Education on S.R. No. 28

The purpose of this Resolution is to request the Department of Education to establish a Navy Jr. Reserve Officer Training Corps (ROTC) program at Campbell High School.

The Department of Education testified in support of this measure, stating that 61 Campbell High School students are currently on district exception to Radford High School for its ROTC program. In addition, a student interest survey indicated that 130 students at Campbell High School are interested in the ROTC program.

Your Committee finds that Campbell High School's proximity to Barber's Point Naval Air Station and the Iroquois Point military housing, and its four-year partnership with Barber's Point, has contributed to the continuing interest of parents and students in the ROTC program.

Your Committee has amended this Resolution by providing for certified copies of the measure to be sent to Hawaii's congressional delegation.

Your Committee on Education concurs with the intent and purpose of S.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 28, S.D. 1.

Signed by all members of the Committee.

SCRep. 1324 Education on S.C.R. No. 28

The purpose of this Concurrent Resolution is to request the University of Hawaii to establish a Navy Reserve Officer Training Corps (ROTC) program.

Currently, the University of Hawaii offers Air Force and Army ROTC programs to interested students. Although Hawaii is an island state with a long history of naval presence, no Navy ROTC program is offered to students at the University.

Your Committee finds that a Navy ROTC program would provide Hawaii students who are interested in a naval career with an opportunity to stay in Hawaii instead of having to attend a mainland institution.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 28 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1325 Education on S.R. No. 29

The purpose of this Resolution is to request the University of Hawaii to establish a Navy Reserve Officer Training Corps (ROTC) program.

Currently, the University of Hawaii offers Air Force and Army ROTC programs to interested students. Although Hawaii is an island state with a long history of naval presence, no Navy ROTC program is offered to students at the University.

Your Committee finds that a Navy ROTC program would provide Hawaii students who are interested in a naval career with an opportunity to stay in Hawaii instead of having to attend a mainland institution.

Your Committee on Education concurs with the intent and purpose of S.R. No. 29 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1326 Education on S.C.R. No. 31

The purpose of this Concurrent Resolution is to request the University of Hawaii to initiate baccalaureate degree programs in the marine sciences.

A recent study by Sea Grant found that most marine-related positions available in Hawaii require a bachelor's degree in a marine field plus technical expertise and hands-on field experience. In addition, the Department of Business, Economic Development, and Tourism recently reported that Hawaii's ocean industries are one of the fastest growing sectors of the State's economy.

Your Committee finds that the growing demand for a baccalaureate degree program in marine science warrants the establishment of a program within the University system, and further finds that Hawaii offers an ideal setting in which to offer such a degree.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 31 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1327 Education on S.R. No. 31

The purpose of this Resolution is to request the University of Hawaii to initiate baccalaureate degree programs in the marine sciences.

A recent study by Sea Grant found that most marine-related positions available in Hawaii require a bachelor's degree in a marine field plus technical expertise and hands-on field experience. In addition, the Department of Business, Economic Development, and Tourism recently reported that Hawaii's ocean industries are one of the fastest growing sectors of the State's economy.

Your Committee finds that the growing demand for a baccalaureate degree program in marine science warrants the establishment of a program within the University system, and further finds that Hawaii offers an ideal setting in which to offer such a degree.

Your Committee on Education concurs with the intent and purpose of S.R. No. 31 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1328 Education on S.C.R. No. 98

The purpose of this Concurrent Resolution is to request a study by the Department of Education on school vice principal staffing needs.

Staffing of vice principals in public schools is usually based on student enrollment, a practice that has been found to be outdated and ineffective. Given the changes in student needs and activities, and the increased workload of school administrators, your Committee finds that this study will provide valuable information to help improve educational services and provide needed support to our public schools.

Testimony in support of this Concurrent Resolution was received from the Department of Education and the Hawaii Government Employees Association.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 98 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1329 Education on S.R. No. 80

The purpose of this Resolution is to request a study by the Department of Education on school vice principal staffing needs.

Staffing of vice principals in public schools is usually based on student enrollment, a practice that has been found to be outdated and ineffective. Given the changes in student needs and activities, and the increased workload of school administrators, your Committee finds that this study will provide valuable information to help improve educational services and provide needed support to our public schools.

Testimony in support of this Resolution was received from the Department of Education and the Hawaii Government Employees Association.

Your Committee on Education concurs with the intent and purpose of S.R. No. 80 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1330 Education on S.C.R. No. 150

The purpose of this Concurrent Resolution is to request the Governor to appoint a blue ribbon committee to study the issue of public education financing.

As proposed in this measure, the blue ribbon committee would examine the resource allocation systems for the Department of Education and the University of Hawaii, and develop recommendations for improving the system so that it will be responsive to the needs of the Legislature.

Resource allocation is an essential and complex process that is necessary in determining and establishing public policy. Each year, the Legislature is inundated with funding requests for public education programs. In order to make informed decisions on these requests, it is imperative that adequate and appropriate information be provided to the Legislature in a timely manner. Your Committee finds that this Concurrent Resolution will provide needed information that will enable the Legislature to support educational funding requests consistent with public policy objectives and priorities.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 150 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1331 Education on S.R. No. 128

The purpose of this Resolution is to request the Governor to appoint a blue ribbon committee to study the issue of public education financing.

As proposed in this measure, the blue ribbon committee would examine the resource allocation systems for the Department of Education and the University of Hawaii, and develop recommendations for improving the system so that it will be responsive to the needs of the Legislature.

Resource allocation is an essential and complex process that is necessary in determining and establishing public policy. Each year, the Legislature is inundated with funding requests for public education programs. In order to make informed decisions on these requests, it is imperative that adequate and appropriate information be provided to the Legislature in a timely manner. Your Committee finds that this Resolution will provide needed information that will enable the Legislature to support educational funding requests consistent with public policy objectives and priorities.

Your Committee on Education concurs with the intent and purpose of S.R. No. 128 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1332 Education on S.C.R. No. 153

The purpose of this Concurrent Resolution is to request the Board of Education to approve and expedite the establishment of a new public library for North Kohala on the island of Hawaii.

The State Librarian testified that the Board of Education recently approved a ten year master plan for public libraries, which includes a recommendation that the present facility in North Kohala be replaced with a 4,000 gross square foot building.

Your Committee believes that the State has an obligation to furnish library facilities for public use that will enhance and encourage learning as well as provide for community functions, and finds that a new facility is needed for the growing Kohala community.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 153 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1333 Education on S.R. No. 131

The purpose of this Resolution is to request the Board of Education to approve and expedite the establishment of a new public library for North Kohala on the island of Hawaii.

The State Librarian testified that the Board of Education recently approved a ten year master plan for public libraries, which includes a recommendation that the present facility in North Kohala be replaced with a 4,000 gross square foot building.

Your Committee believes that the State has an obligation to furnish library facilities for public use that will enhance and encourage learning as well as provide for community functions, and finds that a new facility is needed for the growing Kohala community.

Your Committee on Education concurs with the intent and purpose of S.R. No. 131 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1334 Education on S.C.R. No. 157

The purpose of this Concurrent Resolution is to request the University of Hawaii to immediately begin the implementation its Master Plan.

The Board of Regents testified that the Master Plan, "A Statewide System and Beyond," was adopted in January of this year, and that the University is moving forward to implement the plan. An implementation plan was developed and subsequently adopted on March 15, 1991 that identifies initial priority areas, including:

- (1) Acting as a system: Development of policy statements and the implementation of plans to promote and strengthen system behavior and presentation;

- (2) Improvement of undergraduate education;
- (3) Distance education and expanded access: Strengthening of the University's commitment to outreach education and the needs associated with outreach;
- (4) Improvement of the quality of teachers and public education in Hawaii; and
- (5) West Oahu and West Hawaii planning and development: Including site selection and academic development planning.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 157 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1335 Education on S.R. No. 135

The purpose of this Resolution is to request the University of Hawaii to immediately begin the implementation of its Master Plan.

The Board of Regents testified that the Master Plan, "A Statewide System and Beyond," was adopted in January of this year, and that the University is moving forward to implement the plan. An implementation plan was developed and subsequently adopted on March 15, 1991 that identifies initial priority areas, including:

- (1) Acting as a system: Development of policy statements and the implementation of plans to promote and strengthen system behavior and presentation;
- (2) Improvement of undergraduate education;
- (3) Distance education and expanded access: Strengthening of the University's commitment to outreach education and the needs associated with outreach;
- (4) Improvement of the quality of teachers and public education in Hawaii; and
- (5) West Oahu and West Hawaii planning and development: Including site selection and academic development planning.

Your Committee on Education concurs with the intent and purpose of S.R. No. 135 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1336 Consumer Protection and Business Regulation on S.C.R. No. 197

The purpose of this Concurrent Resolution, as received, is to request the Legislative Auditor to conduct a study on the operation and practices of mutual benefit societies.

Concerns have been raised regarding the need for more oversight of these organizations by the State, especially because of the potential conflict of interest that arises when mutual benefit societies are allowed to provide direct health care services and also provide payment for the services delivered. Your Committee finds that these concerns are valid and warrant further investigation. However, your Committee believes that the scope of the study should be broadened to include all organizations that provide health plans and health services to the public, and has amended the Concurrent Resolution accordingly.

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

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.C.R. No. 197, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 197, S.D. 1.

Signed by all members of the Committee.

SCRep. 1337 Consumer Protection and Business Regulation on S.C.R. No. 212

The purpose of this Concurrent Resolution, as received, is to request the Legislative Reference Bureau to review the policies and procedures of real estate courses approved and accredited by the Real Estate Commission.

Concern has been raised that educators in certain real estate courses may be advocating policies or procedures that extend beyond the scope of the required curriculum, and might be perceived as methods for circumventing State laws or public policy.

Your Committee believes that the public should be protected from all possible unethical practices, and therefore, has amended this Concurrent Resolution by requesting the Real Estate Commission and real estate organizations, educators, and brokers to strengthen and reinforce their real estate education programs on ethics. Your Committee has also amended the measure by: (1) emphasizing the ethical responsibilities of real estate licensees and educators; (2) explaining the current problem of licensees being instructed on possible unethical practices; (3) requiring that certified copies of the measure be transmitted to the Real Estate Commission, the Board of Realtors, the Hawaii Chapter of Real Estate Educators Association, and the Hawaii Real Estate Schools Association; and (4) reflecting the changes in the title.

It is your Committee's intent that this Concurrent Resolution serve to help eliminate unethical practices that could be damaging to the public, and would also help to strengthen the integrity of the real estate profession.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.C.R. No. 212, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 212, S.D. 1.

Signed by all members of the Committee.

SCRep. 1338 Consumer Protection and Business Regulation on S.R. No. 190

The purpose of this Resolution, as received, is to request the Legislative Reference Bureau to review the policies and procedures of real estate courses approved and accredited by the Real Estate Commission.

Concern has been raised that educators in certain real estate courses may be advocating policies or procedures that extend beyond the scope of the required curriculum, and might be perceived as methods for circumventing State laws or public policy.

Your Committee believes that the public should be protected from all possible unethical practices, and therefore, has amended this Resolution by requesting the Real Estate Commission and real estate organizations, educators, and brokers to strengthen and reinforce their real estate education programs on ethics. Your Committee has also amended the measure by: (1) emphasizing the ethical responsibilities of real estate licensees and educators; (2) explaining the current problem of licensees being instructed on possible unethical practices; (3) requiring that certified copies of the measure be transmitted to the Real Estate Commission, the Board of Realtors, the Hawaii Chapter of Real Estate Educators Association, and the Hawaii Real Estate Schools Association; and (4) reflecting the changes in the title.

It is your Committee's intent that this Resolution serve to help eliminate unethical practices that could be damaging to the public, and would also help to strengthen the integrity of the real estate profession.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.R. No. 190, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 190, S.D. 1.

Signed by all members of the Committee.

SCRep. 1339 Consumer Protection and Business Regulation on S.C.R. No. 236

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau (LRB) to study and examine the need to regulate the health insurance industry.

Your Committee received testimony from the Department of Health, the Department of Commerce and Consumer Affairs, and Kaiser Permanente. Your Committee concurs with the testimony which indicated that a study of the health insurance industry will provide important information surrounding the high cost of health care, its impact on the delivery of and access to quality health care services, and the need to regulate the industry. However, your Committee finds that it would be more appropriate for the Gov. Blue Ribbon Panel on the Future of Health Care in Hawaii, instead of the LRB, to undertake this endeavor.

Therefore, your Committee has amended this Concurrent Resolution by requesting that the Gov. Blue Ribbon Panel on the Future of Health Care in Hawaii conduct the study. Accordingly, all other references to the LRB have been amended to reflect this change.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.C.R. No. 236, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 236, S.D. 1.

Signed by all members of the Committee.

SCRep. 1340 Education on S.C.R. No. 137

The purpose of this Concurrent Resolution is to request the Department of Education to consult with representatives of the Kamehameha Schools to execute a memorandum of agreement for the private operation of elementary schools with large enrollments of Hawaiian students.

Your Committee received testimony in support of the intent of the measure, however, many testifiers believed that it is premature to execute a memorandum of agreement prior to full exploration of the issues and concerns surrounding this collaborative effort. Therefore, your Committee has amended this measure by urging the Department of Education and the Kamehameha Schools to explore the possibilities and feasibility of allowing for the private operation of elementary schools with large enrollments of Hawaiian students, instead of requiring the execution of a memorandum of agreement.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 137, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 1341 Education on S.R. No. 124

The purpose of this Resolution is to request the Department of Education to consult with representatives of the Kamehameha Schools to execute a memorandum of agreement for the private operation of elementary schools with large enrollments of Hawaiian students.

Your Committee received testimony in support of the intent of the measure, however, many testifiers believed that it is premature to execute a memorandum of agreement prior to full exploration of the issues and concerns surrounding this collaborative effort. Therefore, your Committee has amended this measure by urging the Department of Education and the Kamehameha Schools to explore the possibilities and feasibility of allowing for the private operation of elementary schools with large enrollments of Hawaiian students, instead of requiring the execution of a memorandum of agreement.

Your Committee on Education concurs with the intent and purpose of S.R. No. 124, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 124, S.D. 1.

Signed by all members of the Committee except Senator Holt.

SCRep. 1342 Transportation and Intergovernmental Relations on S.C.R. No. 178

The purpose of this Concurrent Resolution is to request the Department of Transportation to report on the status and maintenance of the Honolulu Gateway Beautification Project, and to work with the Outdoor Circle in encouraging businesses along the Gateway corridor to participate in furthering the goals of the project.

Your Committee received testimony in support of the Concurrent Resolution from The Outdoor Circle and the Waikiki Improvement Association.

Your Committee finds that the Nimitz Highway corridor between the airport and Waikiki makes a lasting impression on many island visitors because travel along the corridor is often the source of a visitor's first impression of Hawaii. The beautification and maintenance of this corridor would serve to impress upon newly arrived visitors the beauty of this State. For this reason, your Committee has taken a keen interest in the progress of the Honolulu Gateway Beautification Project.

Your Committee has amended this Concurrent Resolution to request the Department of Health to investigate and report on reported soil contamination along the corridor. This contamination, which appears to inhibit the growth of plants, was brought to the attention of your Committee by the Department of Transportation. Your Committee has also made technical, nonsubstantive amendments to the Concurrent Resolution for the purposes of style and clarity.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. 178, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 178, S.D. 1.

Signed by all members of the Committee.

SCRep. 1343 Transportation and Intergovernmental Relations on S.R. No. 157

The purpose of this Resolution is to request the Department of Transportation to report on the status and maintenance of the Honolulu Gateway Beautification Project, and to work with the Outdoor Circle in encouraging businesses along the Gateway corridor to participate in furthering the goals of the project.

Your Committee received testimony in support of the Resolution from The Outdoor Circle and the Waikiki Improvement Association.

Your Committee finds that the Nimitz Highway corridor between the airport and Waikiki makes a lasting impression on many island visitors because travel along the corridor is often the source of a visitor's first impression of Hawaii. The beautification and maintenance of this corridor would serve to impress upon newly arrived visitors the beauty of this State. For this reason, your Committee has taken a keen interest in the progress of the Honolulu Gateway Beautification Project.

Your Committee has amended this Resolution to request the Department of Health to investigate and report on reported soil contamination along the corridor. This contamination, which appears to inhibit the growth of plants, was brought to the attention of your Committee by the Department of Transportation. Your Committee has also made technical, nonsubstantive amendments to the Resolution for the purposes of style and clarity.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. 157, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 157, S.D. 1.

Signed by all members of the Committee.

SCRep. 1344 Transportation and Intergovernmental Relations on S.C.R. No. 40

The purpose of this Concurrent Resolution is to request stricter enforcement of existing state and federal laws applicable to the regulation of helicopters in Hawaii.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Transportation (DOT) and private citizens.

Your Committee finds that past legislative efforts as well as the implementation of a voluntary self-regulated program by the Hawaii Helicopter Operators Association has had limited success in ensuring the safety and tranquility of certain rural areas. Complaints regarding recklessness and disregard by the pilots of sightseeing helicopters still abound. In fact, it

has been brought to your Committee's attention that the problem of sightseeing helicopters disturbing populated areas, once limited primarily to the island of Kauai, has spread to other islands. Since December 1989, over 300 complaints have been filed with the DOT from the Big Island alone. Statewide, 644 complaints have been filed during this period. Your Committee has been informed that many island residents have stopped filing complaints with the DOT in exasperation over the absence of remedial action.

Legislative relief for the residents of these oft-disturbed areas is difficult. Regulation of helicopters and their pilots has, for the most part, been preempted by federal law.

Your Committee finds that although the DOT has increased its efforts to cite violators of current state laws, the Department's efforts are necessarily limited by federal statutes and regulations.

Your Committee has amended this Concurrent Resolution by removing the request for stricter enforcement of present laws relating to helicopters and inserting instead a request that Congress enact legislation mandating the Federal Aviation Administration to require that helicopters engaged in sightseeing flights in Hawaii fly at altitudes prescribed for fixed-wing aircraft. Your Committee has also amended the title of the Concurrent Resolution to reflect this change, and made other amendments which have no substantive effect.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 40, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1345 Transportation and Intergovernmental Relations on S.R. No. 37

The purpose of this Resolution is to request stricter enforcement of existing state and federal laws applicable to the regulation of helicopters in Hawaii.

Your Committee received testimony in support of this Resolution from the Department of Transportation (DOT) and private citizens.

Your Committee finds that past legislative efforts as well as the implementation of a voluntary self-regulated program by the Hawaii Helicopter Operators Association has had limited success in ensuring the safety and tranquility of certain rural areas. Complaints regarding recklessness and disregard by the pilots of sightseeing helicopters still abound. In fact, it has been brought to your Committee's attention that the problem of sightseeing helicopters disturbing populated areas, once limited primarily to the island of Kauai, has spread to other islands. Since December 1989, over 300 complaints have been filed with the DOT from the Big Island alone. Statewide, 644 complaints have been filed during this period. Your Committee has been informed that many island residents have stopped filing complaints with the DOT in exasperation over the absence of remedial action.

Legislative relief for the residents of these oft-disturbed areas is difficult. Regulation of helicopters and their pilots has, for the most part, been preempted by federal law.

Your Committee finds that although the DOT has increased its efforts to cite violators of current state laws, the Department's efforts are necessarily limited by federal statutes and regulations.

Your Committee has amended this Resolution by removing the request for stricter enforcement of present laws relating to helicopters and inserting instead a request that Congress enact legislation mandating the Federal Aviation Administration to require that helicopters engaged in sightseeing flights in Hawaii fly at altitudes prescribed for fixed-wing aircraft. Your Committee has also amended the title of the Resolution to reflect this change, and made other amendments which have no substantive effect.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 37, S.D. 1.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1346 Transportation and Intergovernmental Relations on S.C.R. No. 50

The purpose of this Concurrent Resolution is to establish a joint legislative-executive-county committee which would identify and recommend plans and actions for assisting the communities in transition on the Hamakua Coast.

Your Committee received testimony in support of this Concurrent Resolution from the Office of State Planning.

Your Committee finds that Hamakua Sugar Company's long standing difficulties and uncertain future have brought the communities along the Hamakua coast to a crossroad of prospects for the future that must be examined and evaluated immediately. The State of Hawaii must do all it can to facilitate the transition of the Hamakua Coast from a sugar-based economy to one based on service and other industries. Your Committee finds further that the joint legislative-executive-county special committee proposed by this Concurrent Resolution will ensure that all concerns regarding the transition of the Hamakua Coast are fully addressed.

Your Committee has made a few technical changes in the Concurrent Resolution, none of which have any substantive effect.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 50, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 50, S.D. 1.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1347 Consumer Protection and Business Regulation on S.R. No. 215

The purpose of this Resolution is to request the Legislative Reference Bureau (LRB) to study and examine the need to regulate the health insurance industry.

Your Committee received testimony from the Department of Health, the Department of Commerce and Consumer Affairs, and Kaiser Permanente. Your Committee concurs with the testimony which indicated that a study of the health insurance industry will provide important information surrounding the high cost of health care, its impact on the delivery of and access to quality health care services, and the need to regulate the industry. However, your Committee finds that it would be more appropriate for the Gov. Blue Ribbon Panel on the Future of Health Care in Hawaii, instead of the LRB, to undertake this endeavor.

Therefore, your Committee has amended this Resolution by requesting that the Gov. Blue Ribbon Panel on the Future of Health Care in Hawaii conduct the study. Accordingly, all other references to the LRB have been amended to reflect this change.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of S.R. No. 215, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 215, S.D. 1.

Signed by all members of the Committee.

SCRep. 1348 Judiciary on S.C.R. No. 143

The purpose of this resolution is to express the Senate's support for the passage of the Civil Rights Act of 1991 in Congress.

Congress is presently considering H.R. 1, the Civil Rights Act of 1991, which is intended to restore civil rights protections which were dramatically limited by recent U.S. Supreme Court decisions and to strengthen existing protections and remedies available under federal civil rights laws to provide more effective deterrence and adequate compensation for victims of discrimination.

Your Committee received testimony in support of the resolution from the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, and the Hawaii State AFL-CIO.

Your Committee finds that the resolution is consistent with our public policy to promote equality and mutual respect by eliminating discriminatory practices.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 143 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1349 Judiciary on S.R. No. 120

The purpose of this resolution is to express the Senate's support for the passage of the Civil Rights Act of 1991 in Congress.

Congress is presently considering H.R. 1, the Civil Rights Act of 1991, which is intended to restore civil rights protections which were dramatically limited by recent U.S. Supreme Court decisions and to strengthen existing protections and remedies available under federal civil rights laws to provide more effective deterrence and adequate compensation for victims of discrimination.

Your Committee received testimony in support of the resolution from the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, and the Hawaii State AFL-CIO.

Your Committee finds that the resolution is consistent with our public policy to promote equality and mutual respect by eliminating discriminatory practices.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 120 and recommends its adoption.

Signed by all members of the Committee except Senators McMurdo and Tungpalan.

SCRep. 1350 Judiciary on S.C.R. No. 195

The purpose of this resolution is to request the Legislative Reference Bureau to study the problem of liability exposure of volunteers, and the non-profit organizations and government agencies that use volunteers.

Your Committee received testimony in support of the resolution from the Judiciary, the Honolulu Department of the Prosecuting Attorney, Volunteer Information and Referral Service, Network of Volunteer Leaders - Hawaii (NOVL), Hawaii Literacy, Inc., and Punahou School.

Both government and private agencies rely heavily on volunteers to meet the constantly growing demand for services. The need for volunteers to provide essential services to the community is particularly critical in this time of fiscal

austerity. Thus, your Committee finds that a study is necessary to determine the extent to which the issues of liability exposure and liability insurance costs affect the community and the organizations that rely on the services of volunteers.

Your Committee amended the resolution by (1) requesting that the Legislative Reference Bureau also study the probable effects of limiting liability or forming purchasing groups to buy more affordable insurance and amending the text and title of the resolution accordingly; (2) including within the resource group the Department of the Attorney General, the President of the Network of Volunteer Leaders - Hawaii (NOVL), and the Office of the Corporation Council of one or more of the counties; and (3) making technical amendments for clarity and style.

Your Committee finds that the amendments will provide for a more thorough review of the liability exposure issue.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 195, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 195, S.D. 1.

Signed by all members of the Committee except Senators Tungpalan and Koki.

SCRep. 1351 Judiciary on S.R. No. 174

The purpose of this resolution is to request the Legislative Reference Bureau to study the problem of liability exposure of volunteers, and the non-profit organizations and government agencies that use volunteers.

Your Committee received testimony in support of the resolution from the Judiciary, the Honolulu Department of the Prosecuting Attorney, Volunteer Information and Referral Service, Network of Volunteer Leaders - Hawaii (NOVL), Hawaii Literacy, Inc., and Punahou School.

Both government and private agencies rely heavily on volunteers to meet the constantly growing demand for services. The need for volunteers to provide essential services to the community is particularly critical in this time of fiscal austerity. Thus, your Committee finds that a study is necessary to determine the extent to which the issues of liability exposure and liability insurance costs affect the community and the organizations that rely on the services of volunteers.

Your Committee amended the resolution by (1) requesting that the Legislative Reference Bureau also study the probable effects of limiting liability or forming purchasing groups to buy more affordable insurance and amending the text and title of the resolution accordingly; (2) including within the resource group the Department of the Attorney General, the President of the Network of Volunteer Leaders - Hawaii (NOVL), and the Office of the Corporation Council of one or more of the counties; and (3) making technical amendments for clarity and style.

Your Committee finds that the amendments will provide for a more thorough review of the liability exposure issue.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 174, as amended herein, and recommends that it be referred to the Leadership Committee on Legislative Management, in the form attached hereto as S.R. No. 174, S.D. 1.

Signed by all members of the Committee except Senator Koki.

SCRep. 1352 Judiciary on S.C.R. No. 200

The purpose of the resolution is to request the Governor to establish a task force comprised of representatives from the executive agencies to study and make recommendations on the following:

- (1) The feasibility of developing and establishing a central panel of hearings officers;
- (2) The improvement of rules on adjudicatory hearings and proposed changes to the Hawaii Administrative Procedure Act, Chapter 91 of the Hawaii Revised Statutes; and
- (3) The adoption of a uniform code of conduct for hearing officers.

Presently there are about 50 hearings officers presiding over adjudicatory proceedings in Hawaii, who are also employed by State agencies. The fact that the hearings officer is oftentimes presiding over a dispute in which his or her employer is a party has raised serious concerns about the potential conflict of interest and the appearance of bias.

In reaction to these concerns, the Office of the Legislative Auditor conducted a study on administrative adjudication and recommended a pilot test involving a central panel of hearings officers.

Your Committee finds that the creation of a task force is necessary to examine the feasibility of developing and implementing a central panel and other means of addressing the concern for fair and impartial administrative hearings.

Your Committee received testimony in support of the resolution from the Department of Commerce and Consumer Affairs, the Department of Education, and Committee on Welfare Concerns.

Your Committee made technical amendments for clarity and style.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 200, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 200, S.D. 1.

Signed by all members of the Committee.

SCRep. 1353 Judiciary on S.R. No. 176

The purpose of the resolution is to request the Governor to establish a task force comprised of representatives from the executive agencies to study and make recommendations on the following:

- (1) The feasibility of developing and establishing a central panel of hearings officers;
- (2) The improvement of rules on adjudicatory hearings and proposed changes to the Hawaii Administrative Procedure Act, Chapter 91 of the Hawaii Revised Statutes; and
- (3) The adoption of a uniform code of conduct for hearing officers.

Presently there are about 50 hearings officers presiding over adjudicatory proceedings in Hawaii, who are also employed by State agencies. The fact that the hearings officer is oftentimes presiding over a dispute in which his or her employer is a party has raised serious concerns about the potential conflict of interest and the appearance of bias.

In reaction to these concerns, the Office of the Legislative Auditor conducted a study on administrative adjudication and recommended a pilot test involving a central panel of hearings officers.

Your Committee finds that the creation of a task force is necessary to examine the feasibility of developing and implementing a central panel and other means of addressing the concern for fair and impartial administrative hearings.

Your Committee received testimony in support of the resolution from the Department of Commerce and Consumer Affairs, the Department of Education, and Committee on Welfare Concerns.

Your Committee made technical amendments for clarity and style.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 176, S.D. 1.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 1354 Judiciary on S.C.R. No. 201

The purpose of the resolution is to request the Office of the Legislative Auditor to conduct a management and financial audit of the Legal Aid Society of Hawaii.

Legal Aid Society of Hawaii, a private organization established to provide pro bono legal services to qualified low-income individuals, recently received a report from the Legal Services Corporation, the federal funding agency, alleging numerous problems with the Society's operations.

Although the Society has maintained that the report is inaccurate and incomplete, the State, which is a major source of funding for the Society, is unable to verify or dispute the allegations made in the report. Therefore, your Committee finds that a State audit is necessary to review the Society's operations to insure that State funds are being used efficiently.

Your Committee received testimony in support of the resolution from the Legal Aid Society of Hawaii and private individuals.

Your Committee amended the resolution to request an audit independent from those conducted by the Legal Services Corporation to insure a fair and impartial review of the financial and management operations of the Society.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 201, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 201, S.D. 1.

Signed by all members of the Committee.

SCRep. 1355 Judiciary on S.R. No. 177

The purpose of the resolution is to request the Office of the Legislative Auditor to conduct a management and financial audit of the Legal Aid Society of Hawaii.

Legal Aid Society of Hawaii, a private organization established to provide pro bono legal services to qualified low-income individuals, recently received a report from the Legal Services Corporation, the federal funding agency, alleging numerous problems with the Society's operations.

Although the Society has maintained that the report is inaccurate and incomplete, the State, which is a major source of funding for the Society, is unable to verify or dispute the allegations made in the report. Therefore, your Committee finds that a State audit is necessary to review the Society's operations to insure that State funds are being used efficiently.

Your Committee received testimony in support of the resolution from the Legal Aid Society of Hawaii and private individuals.

Your Committee amended the resolution to request an audit independent from those conducted by the Legal Services Corporation to insure a fair and impartial review of the financial and management operations of the Society.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 177, as amended herein, and recommends that it be referred to the Leadership Committee on Legislative Management, in the form attached hereto as S.R. No. 177, S.D. 1.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 1356 Judiciary on S.C.R. No. 217

The purpose of this resolution is to request the Department of the Attorney General to work with the county prosecutors and police departments to develop (1) guidelines for the definition of hate crimes against women; (2) a methodology for collecting the data; and (3) a mechanism by which the Attorney General is to report the data annually to the Legislature and the public.

This resolution is intended to address concerns raised with respect to S.B. No. 798, Relating To Hate Crimes Against Women. S.B. No. 798 was introduced during the 1991 legislative session but was held in committee as a result of concerns about the vagueness of the terms and limitations of present data-collecting abilities.

Your Committee received testimony in support of the resolution from the Hawaii State Commission on the Status of Women, Alternatives To Violence, Hawaii State Coalition Against Sexual Assault, and private individuals. The Department of the Attorney General, which collects crime statistics for the State, supported the intent of the bill, but stressed the importance of participation and cooperation of the police departments, which are responsible for inputting the data for the Department.

Your Committee is concerned about the difficulty of the task requested because it would require a screening of data based on the perpetrator's motive, a highly subjective standard that is not easily ascertainable from records or evidence. The statewide criminal data system maintained by the Department of the Attorney General is presently addressing a backlog problem. To request both a screening for motive and inputting of additional information may create serious problems for an already overburdened system.

However, your Committee is sensitive to the need for concrete data to determine the scope and extent of the problem which the resolution seeks to address. Therefore, your Committee amended the resolution by providing an objective standard for the collection and reporting of gender-related crimes and rewording the title and language of the resolution accordingly. Your Committee also deleted reference to the county prosecutors since the police departments are primarily responsible for the input of criminal data into the statewide system.

Your Committee finds that the resolution, as amended, will provide a more viable and efficient means to obtain gender-related crime statistics.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 217, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 217, S.D. 1.

Signed by all members of the Committee.

SCRep. 1357 Judiciary on S.R. No. 195

The purpose of this resolution is to request the Department of the Attorney General to work with the county prosecutors and police departments to develop (1) guidelines for the definition of hate crimes against women; (2) a methodology for collecting the data; and (3) a mechanism by which the Attorney General is to report the data annually to the Legislature and the public.

This resolution is intended to address concerns raised with respect to S.B. No. 798, Relating To Hate Crimes Against Women. S.B. No. 798 was introduced during the 1991 legislative session but was held in committee as a result of concerns about the vagueness of the terms and limitations of present data-collecting abilities.

Your Committee received testimony in support of the resolution from the Hawaii State Commission on the Status of Women, Alternatives To Violence, Hawaii State Coalition Against Sexual Assault, and private individuals. The Department of the Attorney General, which collects crime statistics for the State, supported the intent of the bill, but stressed the importance of participation and cooperation of the police departments, which are responsible for inputting the data for the Department.

Your Committee is concerned about the difficulty of the task requested because it would require a screening of data based on the perpetrator's motive, a highly subjective standard that is not easily ascertainable from records or evidence. The statewide criminal data system maintained by the Department of the Attorney General is presently addressing a backlog problem. To request both a screening for motive and inputting of additional information may create serious problems for an already overburdened system.

However, your Committee is sensitive to the need for concrete data to determine the scope and extent of the problem which the resolution seeks to address. Therefore, your Committee amended the resolution by providing an objective standard for the collection and reporting of gender-related crimes and rewording the title and language of the resolution accordingly. Your Committee also deleted reference to the county prosecutors since the police departments are primarily responsible for the input of criminal data into the statewide system.

Your Committee finds that the resolution, as amended, will provide a more viable and efficient means to obtain gender-related crime statistics.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 195, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 195, S.D. 1.

Signed by all members of the Committee except Senator Tungpalan.

SCRep. 1358 Judiciary on S.C.R. No. 180

The purpose of the resolution is to request the Legislative Reference Bureau to study the effect of lowering the age at which a juvenile may be waived to adult criminal courts.

In reaction to incidents involving heinous crimes committed by juveniles under the age of sixteen, there has been growing public sentiment in favor of lowering Hawaii's waiver age and imposing tougher and longer penalties. However, reactions by criminal justice agencies have been mixed. Opponents to lowering the waiver age fear that society will lose too many juveniles to the adult system who can be rehabilitated under the family court system, and that adult correctional facilities will not have adequate facilities to house and help juveniles.

Your Committee received testimony in support of the bill from the Honolulu Department of the Prosecuting Attorney and United Parents For Education Coalition. The Office of Youth Services opposed any attempt to lower the waiver age and proposed that, rather than lower the age of waiver, jurisdiction of the family court should be extended beyond the age of minority for those extreme but exceptional cases involving serious juveniles offenders.

Your Committee amended the resolution to request that the Legislative Reference Bureau also study the effects of extending the jurisdiction of the family court to enhance its sentencing options for serious juvenile offenders as an alternative or addition to waiver. The title was amended to reflect the broader scope of the study.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 180, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 180, S.D. 1.

Signed by all members of the Committee.

SCRep. 1359 Housing and Hawaiian Programs on S.C.R. No. 222

The purpose of this Senate Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study of alternative means to compensate the Board of Trustees of the Office of Hawaii Affairs (OHA).

Your Committee received testimony in unanimous support of the Resolution from Abraham Aiona, Rowena Akana and A. Frenchy DeSoto, trustees of the Office of Hawaiian Affairs, Sherry P. Broder, attorney for the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation and the Anahola Hawaiian Land Farms Association.

Your Committee finds that the current method of compensating members of the Board of Trustees of OHA is outmoded and the amount of compensation is a disincentive for qualified trustees to devote the time and effort required to perform the duties of the office. The study requested by this Resolution should provide information of great value in establishing a means of adequately compensating OHA Trustees.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 222 and recommends its adoption.

Signed by all members of the Committee except Senators Aki and McMurdo.

SCRep. 1360 Housing and Hawaiian Programs on S.R. No. 201

The purpose of this Senate Resolution is to request the Legislative Reference Bureau to conduct a study of alternative means to compensate the Board of Trustees of the Office of Hawaii Affairs (OHA).

Your Committee received testimony in unanimous support of the Resolution from Abraham Aiona, Rowena Akana and A. Frenchy DeSoto, trustees of the Office of Hawaiian Affairs, Sherry P. Broder, attorney for the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation and the Anahola Hawaiian Land Farms Association.

Your Committee finds that the current method of compensating members of the Board of Trustees of OHA is outmoded and the amount of compensation is a disincentive for qualified trustees to devote the time and effort required to perform the duties of the office. The study requested by this Resolution should provide information of great value in establishing a means of adequately compensating OHA Trustees.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 201 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senators Aki and McMurdo.

SCRep. 1361 Health and Human Services on S.C.R. No. 78

The purpose of this Concurrent Resolution is to request a cooperative effort to ensure that heart transplant services are available and accessible to the people of Hawaii.

Your Committee received testimony in support of the intent of this measure from the Departments of Health and Human Services and St. Francis Medical Center.

Your Committee finds that without federal assistance, residents of Hawaii will not have equal opportunity to have this life-sustaining procedure performed at home in Hawaii, regardless of their ability to pay.

Your Committee has amended this bill by requesting the Legislative Auditor to formulate the recommendations rather than the Departments of Health and Human Services and the State Health Planning and Development Agency.

Your Committee on Health and Human Services concurs with the intent and purpose of S.C.R. No. 78, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1362 Health and Human Services on S.R. No. 63

The purpose of this Resolution is to request a cooperative effort to ensure that heart transplant services are available and accessible to the people of Hawaii.

Your Committee received testimony in support of the intent of this measure from the Departments of Health and Human Services and St. Francis Medical Center.

Your Committee finds that without federal assistance, residents of Hawaii will not have equal opportunity to have this life-sustaining procedure performed at home in Hawaii, regardless of their ability to pay.

Your Committee has amended this bill by requesting the Legislative Auditor to formulate the recommendations rather than the Departments of Health and Human Services and the State Health Planning and Development Agency.

Your Committee on Health and Human Services concurs with the intent and purpose of S.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 63, S.D. 1.

Signed by all members of the Committee except Senator Yamasaki.

SCRep. 1363 Culture, Arts and Historic Preservation on S.C.R. No. 156

The purpose of this Concurrent Resolution is to request formation of an interagency commission to study the ramifications of relocating the Governor's residence from Washington Place to a more suitable location.

The study would include the feasibility and appropriateness of dedicating Washington Place as a memorial to Queen Liliuokalani, functioning as an historic house open to the public and administered by the Bishop Museum. The interagency commission would be chaired by the Governor and composed of representatives of the Departments of Accounting and General Services, Budget and Finance, Education, and Land and Natural Resources, as well the Office of Hawaiian Affairs and the Museum.

Washington Place, built around 1845, served as the private residence of Princess Liliuokalani and John Owens Dominis after their marriage in 1862, and later as the final residence of the Queen following her release from imprisonment in 1895. It has been the site of numerous state visits and ceremonies honoring diplomats, dignitaries, presidents, emperors, kings, queens, and governors, and is visited annually by numerous school children and other members of the public.

Your Committee finds that Washington Place is an historical edifice of considerable import to the people of Hawaii and should be more accessible to the public. Relocation of the Governor's residence to an appropriate facility and location would enable full educational and historical enjoyment of Washington Place without derogating the office of Governor or the esteem in which the people of Hawaii hold its incumbents.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 156 and recommends its adoption.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1364 Culture, Arts and Historic Preservation on S.R. No. 134

The purpose of this Resolution is to request formation of an interagency commission to study the ramifications of relocating the Governor's residence from Washington Place to a more suitable location.

The study would include the feasibility and appropriateness of dedicating Washington Place as a memorial to Queen Liliuokalani, functioning as an historic house open to the public and administered by the Bishop Museum. The interagency commission would be chaired by the Governor and composed of representatives of the Departments of Accounting and General Services, Budget and Finance, Education, and Land and Natural Resources, as well the Office of Hawaiian Affairs and the Museum.

Washington Place, built around 1845, served as the private residence of Princess Liliuokalani and John Owens Dominis after their marriage in 1862, and later as the final residence of the Queen following her release from imprisonment in 1895. It has been the site of numerous state visits and ceremonies honoring diplomats, dignitaries, presidents, emperors, kings, queens, and governors, and is visited annually by numerous school children and other members of the public.

Your Committee finds that Washington Place is an historical edifice of considerable import to the people of Hawaii and should be more accessible to the public. Relocation of the Governor's residence to an appropriate facility and location would enable full educational and historical enjoyment of Washington Place without derogating the office of Governor or the esteem in which the people of Hawaii hold its incumbents.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 134 and recommends its adoption.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1365 Tourism and Recreation on S.C.R. No. 196

The purpose of this Concurrent Resolution is to request that the Ala Moana Bowls area remain accessible to Hawaii residents.

Your Committee received testimony from the Department of Land and Natural Resources favoring the intent of the Resolution to maintain this area for recreational use.

Your Committee finds that our natural resources are a treasure. The Ala Moana Bowls area is such a place for a remarkable view of Diamond Head, for its reef marine life, and for its international reputation as a surfing area.

Your Committee has amended the Concurrent Resolution by:

- 1) Noting that the area is being studied for a redevelopment project by the Waikiki Improvement Association;
- 2) Suggesting that redevelopment will include building a new parking lot which is unneeded;
- 3) Adding that the Department of Transportation be requested to restripe the old heliport site to accommodate more vehicles;
- 4) Requesting the elimination of plans to make the area part of a controlled parking lot, and that no funds be appropriated to redevelop the Ala Wai small boat harbor or build a parking garage in the area;
- 5) Noting that the area is being well taken care of by the people who use it and that they are happy with the park the way it is;
- 6) Removing the provision that the jurisdiction of the Ala Moana bowls area be shifted from Department of Transportation Harbors Division, to the Department of Land and Natural Resources;
- 7) Deleting the request for a report from the Department of Transportation and Department of Land and Natural Resources to the Legislature;
- 8) Deleting the provision that a certified copy of the Concurrent Resolution be forwarded to the Chairperson of the Board of Land and Natural Resources; and
- 9) Making technical nonsubstantive amendments for purposes of clarity and style.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.C.R. No. 196, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 196, S.D. 1.

Signed by all members of the Committee.

SCRep. 1366 Tourism and Recreation on S.R. No. 175

The purpose of this Resolution is to request that the Ala Moana Bowls area remain accessible to Hawaii residents.

Your Committee received testimony from the Department of Land and Natural Resources favoring the intent of the Resolution to maintain this area for recreational use.

Your Committee finds that our natural resources are a treasure. The Ala Moana Bowls area is such a place for a remarkable view of Diamond Head, for its reef marine life, and for its international reputation as a surfing area.

Your Committee has amended the Resolution by:

- 1) Noting that the area is being studied for a redevelopment project by the Waikiki Improvement Association;
- 2) Suggesting that redevelopment will include building a new parking lot which is unneeded;
- 3) Adding that the Department of Transportation be requested to restripe the old heliport site to accommodate more vehicles;
- 4) Requesting the elimination of plans to make the area part of a controlled parking lot, and that no funds be appropriated to redevelop the Ala Wai small boat harbor or build a parking garage in the area;
- 5) Noting that the area is being well taken care of by the people who use it and that they are happy with the park the way it is;
- 6) Removing the provision that the jurisdiction of the Ala Moana bowls area be shifted from Department of Transportation Harbors Division, to the Department of Land and Natural Resources;

- 7) Deleting the request for a report from the Department of Transportation and Department of Land and Natural Resources to the Legislature;
- 8) Deleting the provision that a certified copy of the Resolution be forwarded to the Chairperson of the Board of Land and Natural Resources; and
- 9) Making technical nonsubstantive amendments for purposes of clarity and style.

Your Committee on Tourism and Recreation concurs with the intent and purpose of S.R. No. 175, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 175, S.D. 1.

Signed by all members of the Committee.

SCRep. 1367 Planning, Land and Water Use Management on S.C.R. No. 18

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to accelerate its koa reforestation program and establish special koa management areas for harvesting.

Between 2,000 and 4,000 acres of koa forest would be placed in the special management areas over the next ten years, but not within intact native forests. Silvicultural practices would be used to encourage native biodiversity and ecosystem processes, including uneven age stand management, preservation of standing mature trees and woody debris for native flora and fauna habitat, non-native weed and animal control, light impact harvesting, and native species regeneration.

Commercial koa forests are unique native ecosystems which provide valuable buffer zones to adjacent protected natural areas in addition to important wildlife habitats, watershed recharge areas, and recreational opportunities. However, surveys indicate that commercial koa mortality exceeds growth and that the present koa supply consists primarily of older mature trees which are dying and not being replaced by the younger, more rapidly growing koa forests.

Your Committee finds that establishment of special koa management areas would allow for utilization of koa as a renewable resource, increase rural jobs, and provide economic diversification opportunities. In addition, koa management areas would be used as demonstration areas for private landowners interested in growing koa and for refinement of management practices.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 18 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1368 Planning, Land and Water Use Management on S.C.R. No. 198

The purpose of this Concurrent Resolution is to approve the March 8, 1991 Resolution of the Board of Land and Natural Resources designating approximately 18.7 acres of land at Keehi Lagoon as "Keehi Industrial Park."

Section 171-132, Hawaii Revised Statutes, provides that public lands suitable for industrial use may be designated as an Industrial Park by Resolution adopted by the Board and approved by the Legislature by Concurrent Resolution. S.C.R. No. 198 is the vehicle by which the Legislature adopts the Board's Resolution.

Your Committee has amended this Concurrent Resolution by providing that the date of designation of Keehi Industrial Park pursuant to Section 171-141(a)(1)(A) shall be December 31, 1991.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 198, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 198, S.D. 1.

Signed by all members of the Committee.

SCRep. 1369 Planning, Land and Water Use Management on S.C.R. No. 207

The purpose of this Concurrent Resolution is to request Maui County, in coordination with the Office of State Planning and members of the Hana Community, to formulate a Comprehensive Regional Plan for the Hana District in accordance with guidelines established under Chapter 225M, Hawaii Revised Statutes.

A study of the socio-economic factors described in Chapter 226 will be included within the framework of the Plan, and a working draft will be distributed to interested parties by the end of the year and submitted to the 1992 Regular Session of the Legislature.

Your Committee finds that a regional planning approach is appropriate because growth and infrastructure development in any one of the communities which comprise the District (Hana, Kaupo, Keanae, and Kipahulu) will most likely impact on the others. A Comprehensive Regional plan will ensure that the integrity and prosperity of the area will be provided through the combined efforts and input of all interested parties.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 207 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1370 Planning, Land and Water Use Management on S.R. No. 185

The purpose of this Resolution is to request Maui County, in coordination with the Office of State Planning and members of the Hana Community, to formulate a Comprehensive Regional Plan for the Hana District in accordance with guidelines established under Chapter 225M, Hawaii Revised Statutes.

A study of the socio-economic factors described in Chapter 226 will be included within the framework of the Plan, and a working draft will be distributed to interested parties by the end of the year and submitted to the 1992 Regular Session of the Legislature.

Your Committee finds that a regional planning approach is appropriate because growth and infrastructure development in any one of the communities which comprise the District (Hana, Kaupo, Keanae, and Kipahulu) will most likely impact on the others. A Comprehensive Regional plan will ensure that the integrity and prosperity of the area will be provided through the combined efforts and input of all interested parties.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 185 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1371 (Joint) Planning, Land and Water Use Management and Tourism and Recreation on S.C.R. No. 152

The purpose of this Concurrent Resolution is to request the Board of Land and Natural Resources to recommend that the Governor set aside land at Keahuolu, North Kona, Hawaii for a regional sports/recreational complex under the management and jurisdiction of the County of Hawaii.

The Board has authorized acquisition of approximately 450 acres in West Hawaii from Queen Liliuokalani Trust for several uses, and the County of Hawaii and the Department of Land and Natural Resources are agreeable to locating a sports and recreational complex therein. In addition, the County has indicated willingness to submit capital expenditure and site survey plans to the satisfaction of the Department and the Housing Finance and Development Corporation for development of the complex.

Your Committees find that there is a need for a regional sports/recreational complex in West Hawaii and that setting aside sufficient land from the Trust acreage for that purpose is consistent with the intent of the impending acquisition and in the public interest.

Your Committees on Planning, Land and Water Use Management and Tourism and Recreation concur with the intent and purpose of S.C.R. No. 152 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1372 (Joint) Planning, Land and Water Use Management and Tourism and Recreation on S.R. No. 130

The purpose of this Resolution is to request the Board of Land and Natural Resources to recommend that the Governor set aside land at Keahuolu, North Kona, Hawaii for a regional sports/recreational complex under the management and jurisdiction of the County of Hawaii.

The Board has authorized acquisition of approximately 450 acres in West Hawaii from Queen Liliuokalani Trust for several uses, and the County of Hawaii and the Department of Land and Natural Resources are agreeable to locating a sports and recreational complex therein. In addition, the County has indicated willingness to submit capital expenditure and site survey plans to the satisfaction of the Department and the Housing Finance and Development Corporation for development of the complex.

Your Committees find that there is a need for a regional sports/recreational complex in West Hawaii and that setting aside sufficient land from the Trust acreage for that purpose is consistent with the intent of the impending acquisition and in the public interest.

Your Committees on Planning, Land and Water Use Management and Tourism and Recreation concur with the intent and purpose of S.R. No. 130 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1373 Agriculture and Environmental Protection on S.C.R. No. 12

The purpose of this Concurrent Resolution is to request the State to support Environmental Protection Agency waivers of secondary treatment for the Sand Island and Honouliuli wastewater treatment plants.

Your Committee received testimony in support of this measure from the Department of Health; the University of Hawaii, Environmental Center and the J.K.K. Look Laboratory of Oceanographic Engineering; the Hawaii Water Pollution Control Association; and the Department of Public Works of the City and County of Honolulu.

Your Committee finds that the discharge of primary treated wastes at the Sand Island and Honouliuli waste water treatment plants poses no risk to public health, the marine biota, or the environment and therefore any investment into secondary treatment would be without benefit.

Based on testimony by the Environmental Center, your Committee has amended this bill by inserting a clause pointing out the importance of the monitoring efforts of the City and County of Honolulu and noting that their continuation would help to ensure that public health and ecological issues will be subject to ongoing evaluation.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.C.R. No. 12, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 12, S.D. 1.

Signed by all members of the Committee.

SCRep. 1374 Agriculture and Environmental Protection on S.R. No. 15

The purpose of this Resolution is to request the State to support Environmental Protection Agency waivers of secondary treatment for the Sand Island and Honouliuli wastewater treatment plants.

Your Committee received testimony in support of this measure from the Department of Health; the University of Hawaii, Environmental Center and the J.K.K. Look Laboratory of Oceanographic Engineering; the Hawaii Water Pollution Control Association; and the Department of Public Works of the City and County of Honolulu.

Your Committee finds that the discharge of primary treated wastes at the Sand Island and Honouliuli waste water treatment plants poses no risk to public health, the marine biota, or the environment and therefore any investment into secondary treatment would be without benefit.

Based on testimony by the Environmental Center, your Committee has amended this bill by inserting a clause pointing out the importance of the monitoring efforts of the City and County of Honolulu and noting that their continuation would help to ensure that public health and ecological issues will be subject to ongoing evaluation.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 15, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 15, S.D. 1.

Signed by all members of the Committee.

SCRep. 1375 Agriculture and Environmental Protection on S.C.R. No. 43

The purpose of this Concurrent Resolution is to urge the United States Environmental Protection Agency to restore the six pesticide contaminated Central Oahu well sites to the Superfund national priorities list.

Your Committee received testimony in support of this measure from the Department of Health, the Board of Water Supply, the Sierra Club, and the Mililani, Waipio, Melemanu Neighborhood Board.

Your Committee finds that restoring these sites to the Superfund priorities list would make assistance available to:

- 1) Improve and maximize ongoing efforts to mitigate existing contamination;
- 2) Prevent future contamination through the removal of hazardous substances in the environment; and
- 3) Protect public health and safety in terms of assuring safe drinking water sources.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.C.R. No. 43 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1376 Agriculture and Environmental Protection on S.R. No. 39

The purpose of this Resolution is to urge the United States Environmental Protection Agency to restore the six pesticide contaminated Central Oahu well sites to the Superfund national priorities list.

Your Committee received testimony in support of this measure from the Department of Health, the Board of Water Supply, the Sierra Club, and the Mililani, Waipio, Melemanu Neighborhood Board.

Your Committee finds that restoring these sites to the Superfund priorities list would make assistance available to:

- 1) Improve and maximize ongoing efforts to mitigate existing contamination;
- 2) Prevent future contamination through the removal of hazardous substances in the environment; and
- 3) Protect public health and safety in terms of assuring safe drinking water sources.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 39 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1377 Agriculture and Environmental Protection on S.C.R. No. 71

The purpose of this Concurrent Resolution is to request the Department of Agriculture to determine the costs and benefits of implementing an organic farming certification program.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that, with the passage in 1990 of national legislation governing organic certification, a study to determine the form, costs, benefits, and administrative responsibilities for a State program of organic certification is now appropriate.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.C.R. No. 71 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1378 Agriculture and Environmental Protection on S.R. No. 61

The purpose of this Resolution is to request the Department of Agriculture to determine the costs and benefits of implementing an organic farming certification program.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that, with the passage in 1990 of national legislation governing organic certification, a study to determine the form, costs, benefits, and administrative responsibilities for a State program of organic certification is now appropriate.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 61 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1379 Agriculture and Environmental Protection on S.C.R. No. 170

The purpose of this Concurrent Resolution is to request the College of Tropical Agriculture and Human Resources to assess the faculty, staff, current expenses, land, facilities, and equipment needed to conduct a site-specific research and technology transfer to meet the demands of Molokai's expanding diversified agriculture.

Your Committee received testimony in support of this measure from the College of Tropical Agriculture and Human Resources.

Because agricultural enterprises on Molokai are growing and diversifying, an assessment at this time is critical to ensure healthy and continued growth and the availability of assistance when it is needed.

Your Committee has amended this bill by making a nonsubstantive correction.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.C.R. No. 170, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 170, S.D. 1.

Signed by all members of the Committee.

SCRep. 1380 Agriculture and Environmental Protection on S.R. No. 149

The purpose of this Resolution is to request the College of Tropical Agriculture and Human Resources to assess the faculty, staff, current expenses, land, facilities, and equipment needed to conduct a site-specific research and technology transfer to meet the demands of Molokai's expanding diversified agriculture.

Your Committee received testimony in support of this measure from the College of Tropical Agriculture and Human Resources.

Because agricultural enterprises on Molokai are growing and diversifying, an assessment at this time is critical to ensure healthy and continued growth and the availability of assistance when it is needed.

Your Committee has amended this bill by making a nonsubstantive correction.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 149, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 149, S.D. 1.

Signed by all members of the Committee.

SCRep. 1381 Agriculture and Environmental Protection on S.C.R. No. 171

The purpose of this Concurrent Resolution is to request an assessment of the extension service needs of Lanai in its transition to diversified agriculture and an open society.

Your Committee received testimony in support of this measure from the College of Tropical Agriculture and Human Resources and the Hawaii State Chapter of the National Rainbow Coalition, Inc.

With the closing of the pineapple plantation on Lanai and the resultant transition from a pineapple plantation base to a visitor and diversified agriculture base, and the desire of the people of Lanai that a small farm agriculture industry be developed and maintained, it is urgent that a study be conducted on cooperative extension service resource needs in terms of faculty, staff, current expenses, motor vehicles, and facilities necessary to serve Lanai's needs for this transition.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.C.R. No. 171 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1382 Agriculture and Environmental Protection on S.R. No. 150

The purpose of this Resolution is to request an assessment of the extension service needs of Lanai in its transition to diversified agriculture and an open society.

Your Committee received testimony in support of this measure from the College of Tropical Agriculture and Human Resources and the Hawaii State Chapter of the National Rainbow Coalition, Inc.

With the closing of the pineapple plantation on Lanai and the resultant transition from a pineapple plantation base to a visitor and diversified agriculture base, and the desire of the people of Lanai that a small farm agriculture industry be developed and maintained, it is urgent that a study be conducted on cooperative extension service resource needs in terms of faculty, staff, current expenses, motor vehicles, and facilities necessary to serve Lanai's needs for this transition.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 150 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1383 Planning, Land and Water Use Management on S.C.R. No. 192

The purpose of this Concurrent Resolution is to request the Office of State Planning to make a comprehensive study of the cumulative impact of golf course development on Oahu.

There are over forty new 18-hole golf courses either under construction or proposed for Oahu, mostly on agricultural lands. Statewide, there are about seventy golf courses and approximately eighty new ones in the planning or development stages.

Your Committee finds that continued golf course development may have serious and undesirable consequences for the people of Oahu and the State.

Your Committee further finds that this study will give the Legislature the information it needs to make appropriate policy decisions on this issue.

Your Committee has amended this Concurrent Resolution by deleting its contents and inserting language that clarifies the scope of the study, which now encompasses the entire State, and urges the Office of State Planning to consult with golf course architects, engineers, developers, and all others whose lives will be affected by new golf course construction.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 192, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 192, S.D. 1.

Signed by all members of the Committee.

SCRep. 1384 Planning, Land and Water Use Management on S.R. No. 172

The purpose of this Resolution is to request the Office of State Planning to make a comprehensive study of the cumulative impact of golf course development on Oahu.

There are over forty new 18-hole golf courses either under construction or proposed for Oahu, mostly on agricultural lands. Statewide, there are about seventy golf courses and approximately eighty new ones in the planning or development stages.

Your Committee finds that continued golf course development may have serious and undesirable consequences for the people of Oahu and the State.

Your Committee further finds that this study will give the Legislature the information it needs to make appropriate policy decisions on this issue.

Your Committee has amended this Resolution by deleting its contents and inserting language that clarifies the scope of the study, which now encompasses the entire State, and urges the Office of State Planning to consult with golf course architects, engineers, developers, and all others whose lives will be affected by new golf course construction.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 172, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 172, S.D. 1.

Signed by all members of the Committee.

SCRep. 1385 Culture, Arts and Historic Preservation on S.C.R. No. 149

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to prepare a Master Plan for development of a Hawaiian Cultural Center at Lapakahi State Historical Park, Hawaii.

The Plan would address concerns such as location and design appropriate to the historical setting, presentation of interpretive and cultural programs, and the role of Lapakahi in the larger context of North Kohala. The Concurrent Resolution also requests the Department to seek sufficient funds from its own budget or from any other available source to develop the Master Plan.

Your Committee finds that North Kohala is rich in archaeological sites (it was the birthplace of King Kamehameha I) and other manifestations of traditional Hawaiian culture and attracts residents, tourists, and school children interested in learning what life was like in a leeward ahupuaa prior to the westernization of Hawaii. A Hawaiian Cultural Center at Lapakahi State Historical Park would receive optimal use for cultural activities and would also serve as a multipurpose facility for community functions.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of S.C.R. No. 149 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1386 Culture, Arts and Historic Preservation on S.R. No. 127

The purpose of this Resolution is to request the Department of Land and Natural Resources to prepare a Master Plan for development of a Hawaiian Cultural Center at Lapakahi State Historical Park, Hawaii.

The Plan would address concerns such as location and design appropriate to the historical setting, presentation of interpretive and cultural programs, and the role of Lapakahi in the larger context of North Kohala. The Resolution also requests the Department to seek sufficient funds from its own budget or from any other available source to develop the Master Plan.

Your Committee finds that North Kohala is rich in archaeological sites (it was the birthplace of King Kamehameha I) and other manifestations of traditional Hawaiian culture and attracts residents, tourists, and school children interested in learning what life was like in a leeward ahupuaa prior to the westernization of Hawaii. A Hawaiian Cultural Center at Lapakahi State Historical Park would receive optimal use for cultural activities and would also serve as a multipurpose facility for community functions.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of S.R. No. 127 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1387 Housing and Hawaiian Programs on S.C.R. No. 62

The purpose of this Resolution is to request the Office of Hawaiian Affairs to organize a convention of Hawaiians, as defined by Section 10-2, Hawaii Revised Statutes, to discuss issues of interest to Hawaiians and to develop recommendations to the Legislature concerning these issues.

Your Committee received testimony in support of the Resolution from the Office of Hawaiian Affairs and testimony in opposition to the Resolution from the Pro-Hawaiian Sovereignty Working Group. Testimony from Kia 'Aina, Ka Lahui Hawai'i indicated support provided certain amendments were included.

Your Committee finds that there is a longstanding need to acknowledge the rightful role of Hawaiians to confront and to resolve the major issues facing them and the necessity of convening a Native Hawaiian Constitutional Convention to consider the issue of self-determination and governance. The proposals in this Resolution should accomplish these objectives.

Your Committee further finds that the recommendations of the convention should be submitted to a vote of acceptance or rejection by all eligible Hawaiians and has amended the Resolution accordingly.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by all members of the Committee.

SCRep. 1388 Housing and Hawaiian Programs on S.R. No. 32

The purpose of this Resolution is to request the Office of Hawaiian Affairs to organize a convention of Hawaiians, as defined by Section 10-2, Hawaii Revised Statutes, to discuss issues of interest to Hawaiians and to develop recommendations to the Legislature concerning these issues.

Your Committee received testimony in support of the Resolution from the Office of Hawaiian Affairs and testimony in opposition to the Resolution from the Pro-Hawaiian Sovereignty Working Group. Testimony from Kia 'Aina, Ka Lahui Hawai'i indicated support provided certain amendments were included.

Your Committee finds that there is a longstanding need to acknowledge the rightful role of Hawaiians to confront and to resolve the major issues facing them and the necessity of convening a Native Hawaiian Constitutional Convention to consider the issue of self-determination and governance. The proposals in this Resolution should accomplish these objectives.

Your Committee further finds that the recommendations of the convention should be submitted to a vote of acceptance or rejection by all eligible Hawaiians and has amended the Resolution accordingly.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of S.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 32, S.D. 1.

Signed by all members of the Committee.

SCRep. 1389 Agriculture and Environmental Protection on S.C.R. No. 46

The purpose of this Concurrent Resolution is to encourage supermarket chains to provide "Island Fresh" milk from local processors.

Your Committee received testimony in support of this measure from the Department of Agriculture, Foremost Dairies - Hawaii, the 50th State Dairy Farmers' Cooperative, and the Hawaii Farm Bureau Federation.

Your Committee has amended this Concurrent Resolution to clarify that consumers should be able to choose the type of milk they want and therefore that all brands should be provided shelf space. Nonsubstantive amendments were also made for style and clarity.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.C.R. No. 46, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 46, S.D. 1.

Signed by all members of the Committee.

SCRep. 1390 Judiciary on S.C.R. No. 174

The purpose of this resolution to request that the Lieutenant Governor determine whether the State can regulate commercial use of legislative materials by way of an agreement, as an alternative to passage of a copyright bill.

Your Committee received testimony in support of the resolution from the Michie Company. The Office of the Lieutenant Governor expressed willingness to initiate discussions with interested publishers.

During the 1990 legislative session, the Legislature considered a bill which proposed to mandate the copyrighting of the Hawaii Revised Statutes and other legislative materials. The bill's objectives were to regulate the commercial publication of the information in order to insure the accuracy and availability of the information. However, it was unclear as to the extent to which the materials could be copyrighted as a matter of federal law.

Your Committee finds that a review of alternatives to passage of a copyright bill will be very beneficial to the State. Your Committee is not convinced that copyrighting legislative materials is the best solution and is concerned that such measure may obstruct dissemination and public access to these materials. The need for easy accessibility and timely availability of the materials far outweighs any small fee that would be obtained by the State by copyrighting these materials.

Your Committee amended the resolution to reflect the Committee's concerns and to make technical changes for purposes of clarity and style.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 174, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 174, S.D. 1.

Signed by all members of the Committee.

SCRep. 1391 Judiciary on S.R. No. 153

The purpose of this resolution to request that the Lieutenant Governor determine whether the State can regulate commercial use of legislative materials by way of an agreement, as an alternative to passage of a copyright bill.

Your Committee received testimony in support of the resolution from the Michie Company. The Office of the Lieutenant Governor expressed willingness to initiate discussions with interested publishers.

During the 1990 legislative session, the Legislature considered a bill which proposed to mandate the copyrighting of the Hawaii Revised Statutes and other legislative materials. The bill's objectives were to regulate the commercial publication of the information in order to insure the accuracy and availability of the information. However, it was unclear as to the extent to which the materials could be copyrighted as a matter of federal law.

Your Committee finds that a review of alternatives to passage of a copyright bill will be very beneficial to the State. Your Committee is not convinced that copyrighting legislative materials is the best solution and is concerned that such measure may obstruct dissemination and public access to these materials. The need for easy accessibility and timely availability of the materials far outweighs any small fee that would be obtained by the State by copyrighting these materials.

Your Committee amended the resolution to reflect the Committee's concerns and to make technical changes for purposes of clarity and style.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 153, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 153, S.D. 1.

Signed by all members of the Committee.

SCRep. 1392 (Joint) Agriculture and Environmental Protection and Transportation and Intergovernmental Relations on S.C.R. No. 89

The purpose of this Concurrent Resolution is to request the Department of Transportation to conduct a study on reducing the effects of bus exhaust, including the feasibility of:

- (1) Rerouting buses and reducing the number of stops made by buses; and
- (2) Utilizing alternative fuels such as gasohol, ethanol, or methanol.

Based on the testimony received, your Committees find that the scope of the study should be limited to the feasibility of rerouting buses and reducing the number of stops, and that it would be more appropriate for the Oahu Metropolitan Planning Organization, in cooperation with the City and County of Honolulu, to conduct the study. Your Committees have amended the measure accordingly.

Your Committees on Agriculture and Environmental Protection and Transportation and Intergovernmental Relations concur with the intent and purpose of S.C.R. No. 89, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 89, S.D. 1.

Signed by all members of the Committees except Senators Cobb, Blair, Yamasaki and Hagino.

SCRep. 1393 (Joint) Transportation and Intergovernmental Relations and Planning, Land and Water Use Management on S.C.R. No. 38

The purpose of this Concurrent Resolution is to request a collaborative study by the Department of Land and Natural Resources, the Department of Transportation, and the United States Army Corps of Engineers to address the flooding problem along Kamehameha Highway at Kaaawa, Oahu.

Your Committees received testimony in support of this Concurrent Resolution from the Department of Transportation and the Department of Land and Natural Resources.

Your Committees find that flooding at Kaaawa and similar lowlands along the Windward Oahu coastline is a recurring problem. Kamehameha Highway's elevation, which restrains the seaward drainage of floodwaters, together with the continual buildup of sand and debris at the mouths of streams and the outlets of highway culverts, have been identified as factors contributing to the flood problem.

Your Committees find further that, although Kaaawa and other communities along the coast are now subject to the City's floodplain ordinance regulating development on floodprone lands, many of these areas were developed long before the present standards were put into place.

Your Committees believe that a collaborative study conducted by the responsible agencies would expedite a solution to the flooding problem faced by these communities.

Your Committees have amended the resolution by including the City and County of Honolulu in the study and by extending the deadline for the report to the Legislature to 1993. Your Committees have also amended the title of the Concurrent Resolution and made other amendments that have no substantive effect.

Your Committees on Transportation and Intergovernmental Relations and Planning, Land and Water Use Management concur with the intent and purpose of S.C.R. No. 38, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 38, S.D. 1.

Signed by all members of the Committees except Senators Chang, Ikeda and Matsuura.

SCRep. 1394 (Joint) Transportation and Intergovernmental Relations and Planning, Land and Water Use Management on S.R. No. 36

The purpose of this Resolution is to request a collaborative study by the Department of Land and Natural Resources, the Department of Transportation, and the United States Army Corps of Engineers to address the flooding problem along Kamehameha Highway at Kaaawa, Oahu.

Your Committees received testimony in support of this Resolution from the Department of Transportation and the Department of Land and Natural Resources.

Your Committees find that flooding at Kaaawa and similar lowlands along the Windward Oahu coastline is a recurring problem. Kamehameha Highway's elevation, which restrains the seaward drainage of floodwaters, together with the continual buildup of sand and debris at the mouths of streams and the outlets of highway culverts, have been identified as factors contributing to the flood problem.

Your Committees find further that, although Kaaawa and other communities along the coast are now subject to the City's floodplain ordinance regulating development on floodprone lands, many of these areas were developed long before the present standards were put into place.

Your Committees believe that a collaborative study conducted by the responsible agencies would expedite a solution to the flooding problem faced by these communities.

Your Committees have amended the resolution by including the City and County of Honolulu in the study and by extending the deadline for the report to the Legislature to 1993. Your Committees have also amended the title of the Resolution and made other amendments that have no substantive effect.

Your Committees on Transportation and Intergovernmental Relations and Planning, Land and Water Use Management concur with the intent and purpose of S.R. No. 36, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 36, S.D. 1.

Signed by all members of the Committees except Senators Chang, Ikeda and Matsuura.

SCRep. 1395 Transportation and Intergovernmental Relations on S.C.R. No. 112

The purpose of this Concurrent Resolution is to request the legislative auditor to study whether every motor vehicle driver should be required to take a defensive driving test prior to obtaining or renewing a driver's license.

Your Committee deleted the substance of the resolution and substituted provisions requesting a study on the use of an electronic video or photo system to record high occupancy vehicle (HOV) lane violations, which it heard as a proposed Senate Draft 1.

Your Committee received testimony in support of the proposed draft from Leeward Oahu Transportation Management Association and the Department of Transportation.

Your Committee finds that a comprehensive study is necessary to determine the feasibility of using video or photo systems to record violations in HOV lanes. The operation of such a program in conjunction with a mail-out citation system also needs to be evaluated to determine its workability. These considerations have been incorporated into the resolution as amended.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 112, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 112, S.D. 1.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1396 Transportation and Intergovernmental Relations on S.R. No. 92

The purpose of this Resolution is to request the legislative reference bureau to study whether every motor vehicle driver should be required to take a defensive driving test prior to obtaining or renewing a driver's license.

Your Committee deleted the substance of the resolution and substituted provisions requesting a study on the use of an electronic video or photo system to record high occupancy vehicle (HOV) lane violations, which it heard as a proposed Senate Draft 1.

Your Committee received testimony in support of the proposed draft from Leeward Oahu Transportation Management Association and the Department of Transportation.

Your Committee finds that a comprehensive study is necessary to determine the feasibility of using video or photo systems to record violations in HOV lanes. The operation of such a program in conjunction with a mail-out citation system also needs to be evaluated to determine its workability. These considerations have been incorporated into the resolution as amended.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 92, S.D. 1.

Signed by all members of the Committee.

SCRep. 1397 Education on S.C.R. No. 70

The purpose of this Concurrent Resolution is to request the Department of Education to evaluate the need to separate multilevel schools in Hawaii District.

Your Committee received testimony in support of this measure from the Department of Education and two Big Island school principals.

The rapid growth, changing economic bases, and social complexion of the district have led to tremendous changes within the multilevel service areas. Your Committee believes that an evaluation of current needs will indicate where changes should be made in order to effectively meet these needs.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 70 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1398 Education on S.R. No. 60

The purpose of this Resolution is to request the Department of Education to evaluate the need to separate multilevel schools in Hawaii District.

Your Committee received testimony in support of this measure from the Department of Education and two Big Island school principals.

The rapid growth, changing economic bases, and social complexion of the district have led to tremendous changes within the multilevel service areas. Your Committee believes that an evaluation of current needs will indicate where changes should be made in order to effectively meet these needs.

Your Committee on Education concurs with the intent and purpose of S.R. No. 60 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1399 Education on S.C.R. No. 15

The purpose of this Concurrent Resolution is to urge the Department of Education to establish qualifications for school security personnel and to establish a training program for such personnel.

School security is an integral part of today's public education system, and it is important to upgrade qualifications, increase salary rates, and expand training in order to enhance recruitment and promote higher levels of competency.

Your Committee has amended this measure by:

- (1) Requesting the Department of Education to conduct a study on the feasibility of using private uniformed guards from licensed agencies to provide school-hours on-campus security;
- (2) Urging the Public Employees Compensation Appeals Board to consider the repricing of school security attendants; and
- (3) Changing the title to more accurately reflect the broader scope of the Concurrent Resolution.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 15, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 15, S.D. 1.

Signed by all members of the Committee.

SCRep. 1400 Education on S.R. No. 17

The purpose of this Resolution is to urge the Department of Education to establish qualifications for school security personnel and to establish a training program for such personnel.

School security is an integral part of today's public education system, and it is important to upgrade qualifications, increase salary rates, and expand training in order to enhance recruitment and promote higher levels of competency.

Your Committee has amended this measure by:

- (1) Requesting the Department of Education to conduct a study on the feasibility of using private uniformed guards from licensed agencies to provide school-hours on-campus security;
- (2) Urging the Public Employees Compensation Appeals Board to consider the repricing of school security attendants; and
- (3) Changing the title to more accurately reflect the broader scope of the Resolution.

Your Committee on Education concurs with the intent and purpose of S.R. No. 17, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 17, S.D. 1.

Signed by all members of the Committee.

SCRep. 1401 Education on S.C.R. No. 99

The purpose of this Concurrent Resolution is to request the Department of Education to develop an instructional unit to adequately teach students the basic principles of civil and human rights and their relationship to the history of Asian Americans, including the internment of Japanese Americans during World War II.

Your Committee finds that in addition to providing a better understanding of the Bill of Rights of the United States Constitution, the development of this instructional unit and the provision of resource materials on the subject of the World War II internment of Japanese Americans will promote a greater understanding and appreciation of our nation's diverse ethnic heritage and history.

Your Committee has amended this measure by:

- (1) Requesting the Board of Education, instead of the Department of Education, to acquire available resources, materials, and training guides;
- (2) Providing for the acquisition of materials and development of the instructional unit subject to the availability of funds and resources;
- (3) Giving schools the discretion to determine whether or not to include the materials into their school curriculum, based on the concept of school-community/based management; and
- (4) Making certain technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 99, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 99, S.D. 1.

Signed by all members of the Committee.

SCRep. 1402 Education on S.R. No. 81

The purpose of this Resolution is to request the Department of Education to develop an instructional unit to adequately teach students the basic principles of civil and human rights and their relationship to the history of Asian Americans, including the internment of Japanese Americans during World War II.

Your Committee finds that in addition to providing a better understanding of the Bill of Rights of the United States Constitution, the development of this instructional unit and the provision of resource materials on the subject of the World War II internment of Japanese Americans will promote a greater understanding and appreciation of our nation's diverse ethnic heritage and history.

Your Committee has amended this measure by:

- (1) Requesting the Board of Education, instead of the Department of Education, to acquire available resources, materials, and training guides;
- (2) Providing for the acquisition of materials and development of the instructional unit subject to the availability of funds and resources;
- (3) Giving schools the discretion to determine whether or not to include the materials into their school curriculum, based on the concept of school-community/based management; and
- (4) Making certain technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Education concurs with the intent and purpose of S.R. No. 81, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 81, S.D. 1.

Signed by all members of the Committee.

SCRep. 1403 Education on S.C.R. No. 16

The purpose of this Concurrent Resolution is to request full reinstatement of the vocational teacher education program at the University of Hawaii College of Education.

Your Committee recognizes the importance of vocational education and the proper provision of preservice and inservice support for aspiring and practicing vocational education teachers. However, your Committee concurs with the testimony of the College of Education that a complete assessment of vocational education in the State would be more appropriate at this time.

Accordingly, your Committee has amended this Concurrent Resolution by:

- (1) Deleting the WHEREAS paragraph that attributes the decline in vocational teacher education inservice training to increased emphasis on research, based on the College of Education testimony stating that the conclusion is inaccurate;
- (2) Requesting a comprehensive assessment of vocational education in Hawaii and the formulation of an action plan to produce a pool of competent, well-trained vocational education teachers for the public schools, instead of requesting the full reinstatement of the vocational teacher education program and implementation of actions recommended by the Teacher Education Committee;
- (3) Requesting the University of Hawaii to submit a report on the progress of the action plan prior to the convening of the 1992 Regular Session; and
- (4) Deleting the requirement that the report include an inventory of College of Education full time positions with program assignments.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 16, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 16, S.D. 1.

Signed by all members of the Committee.

SCRep. 1404 Education on S.C.R. No. 136

The purpose of this Concurrent Resolution is to request the University of Hawaii to develop a concept paper to establish a Center of Excellence in Education.

The concept of a Center for Excellence in Education at the University of Hawaii College of Education would provide significant support to the Department's ongoing school improvement efforts such as school-community/based management, teacher development programs, and educational technology, and may help identify areas of future development at the University in support of public education.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 136 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1405 Education on S.R. No. 114

The purpose of this Resolution is to request the University of Hawaii to develop a concept paper to establish a Center of Excellence in Education.

The concept of a Center for Excellence in Education at the University of Hawaii College of Education would provide significant support to the Department's ongoing school improvement efforts such as school-community/based management, teacher development programs, and educational technology, and may help identify areas of future development at the University in support of public education.

Your Committee on Education concurs with the intent and purpose of S.R. No. 114 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1406 Education on S.C.R. No. 92

The purpose of this Concurrent Resolution is to request the University of Hawaii College of Education to assess and examine the qualifications of special education teachers, and review the Special Education Basic Training Program.

The current qualification requirements for Class IV and Class V teachers participating in the Basic Special Education Training Program has caused morale problems among current and prospective special education teachers. Recognizing the need to provide incentives to recruit and retain special education teachers, and given the shortage of special education teachers in the State, your Committee believes that an examination of the Basic Special Education Training Program and the Professional Teaching Certificate requirements is appropriate at this time.

Your Committee has amended this Concurrent Resolution by:

- (1) Requesting the Department of Education and the University of Hawaii College of Education to work jointly on this endeavor; and
- (2) Clarifying the scope of the study to include an examination of the requirements of the Basic Special Education Training Program and special education coursework equivalencies as they relate to a Professional Teaching Certificate.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by all members of the Committee.

SCRep. 1407 Education on S.R. No. 74

The purpose of this Resolution is to request the University of Hawaii College of Education to assess and examine the qualifications of special education teachers, and review the Special Education Basic Training Program.

The current qualification requirements for Class IV and Class V teachers participating in the Basic Special Education Training Program has caused morale problems among current and prospective special education teachers. Recognizing the need to provide incentives to recruit and retain special education teachers, and given the shortage of special education teachers in the State, your Committee believes that an examination of the Basic Special Education Training Program and the Professional Teaching Certificate requirements is appropriate at this time.

Your Committee has amended this Resolution by:

- (1) Requesting the Department of Education and the University of Hawaii College of Education to work jointly on this endeavor; and
- (2) Clarifying the scope of the study to include an examination of the requirements of the Basic Special Education Training Program and special education coursework equivalencies as they relate to a Professional Teaching Certificate.

Your Committee on Education concurs with the intent and purpose of S.R. No. 74, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 74, S.D. 1.

Signed by all members of the Committee.

SCRep. 1408 Education on S.C.R. No. 101

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study on tuition waivers for native Hawaiians within the University of Hawaii system.

Your Committee received supporting testimony from the Vice President for Student Affairs from the University of Hawaii, the Office of Hawaiian Affairs, Alu Like, Operation Kua'ana, and private citizens.

Your Committee finds that the number of Native Hawaiian students attending the University is greatly disproportionate to their numbers in the total State population. Your Committee further finds that most Hawaiian students come from the lower economic strata, and it is difficult for them to make tuition payments, the basic financial requirement for enrollment. Your Committee strongly believes that efforts must be made to improve higher education opportunities for these students, and providing tuition waivers may be a step in that direction.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 101 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1409 Education on S.R. No. 83

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a study on tuition waivers for native Hawaiians within the University of Hawaii system.

Your Committee received supporting testimony from the Vice President for Student Affairs from the University of Hawaii, the Office of Hawaiian Affairs, Alu Like, Operation Kua'ana, and private citizens.

Your Committee finds that the number of Native Hawaiian students attending the University is greatly disproportionate to their numbers in the total State population. Your Committee further finds that most Hawaiian students come from the lower economic strata, and it is difficult for them to make tuition payments, the basic financial requirement for enrollment. Your Committee strongly believes that efforts must be made to improve higher education opportunities for these students, and providing tuition waivers may be a step in that direction.

Your Committee on Education concurs with the intent and purpose of S.R. No. 83 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1410 Education on S.C.R. No. 188

The purpose of this Concurrent Resolution is to request the Honolulu Community College to conduct an evaluation and assessment of the need to offer three- and four-year educational program options at the community college level.

The Board of Regents, in their recently adopted master plan for the University, identified the need for the community colleges to explore and sponsor education and training programs that may be longer than two years in duration. Your Committee finds that this measure is consistent with the direction of the master plan, and in addition, addresses the rapid changes in technology that are occurring throughout the nation.

Your Committee has amended this Concurrent Resolution by requesting the Honolulu Community College to submit a status report prior to the convening of the 1992 Regular Session, and to submit a final report of its findings and recommendations prior to the convening of the 1993 Regular Session.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 188, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 188, S.D. 1.

Signed by all members of the Committee.

SCRep. 1411 Education on S.R. No. 168

The purpose of this Resolution is to request the Honolulu Community College to conduct an evaluation and assessment of the need to offer three- and four-year educational program options at the community college level.

The Board of Regents, in their recently adopted master plan for the University, identified the need for the community colleges to explore and sponsor education and training programs that may be longer than two years in duration. Your Committee finds that this measure is consistent with the direction of the master plan, and in addition, addresses the rapid changes in technology that are occurring throughout the nation.

Your Committee has amended this Resolution by requesting the Honolulu Community College to submit a status report prior to the convening of the 1992 Regular Session, and to submit a final report of its findings and recommendations prior to the convening of the 1993 Regular Session.

Your Committee on Education concurs with the intent and purpose of S.R. No. 168, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 168, S.D. 1.

Signed by all members of the Committee.

SCRep. 1412 Education on S.C.R. No. 55

The purpose of this Concurrent Resolution is to urge the Curriculum Research and Development Group at the University of Hawaii College of Education to determine the feasibility of developing curriculum materials on Asia and the Pacific, and in addition, to determine how such materials can be developed expeditiously for use in Hawaii's secondary schools.

Given Hawaii's unique geographic location and our deep and abiding ties with the people and nations of Asia and the Pacific Rim, it is imperative that our students develop a comprehensive understanding and knowledge of the area and its issues.

Your Committee has amended this Concurrent Resolution by clarifying that the Consortium on Teaching Asia and the Pacific in the Schools is a joint project of the Department of Education and the East-West Center, and by making several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 55, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by all members of the Committee.

SCRep. 1413 Agriculture and Environmental Protection on S.C.R. No. 1

The purpose of this Concurrent Resolution is to request the Governor to seek to establish a sister-state relationship between Hawaii and Pohnpei, Federated States of Micronesia.

However, your Committee feels that bilateral relationships within the Pacific Community are not appropriate and accordingly has revised this measure to request the Governor to initiate discussions relating to the establishment of a cooperative association along regional lines in the Pacific.

This cooperative collaboration would be an expansion of the work currently underway and in addition to the proposed Joint Commercial Commission proposed by President Bush in his recent visit.

Your Committee envisions that the states initially involved be those with historic ties to Hawaii. These relationships could later be expanded to other Pacific entities within the countries represented by the South Pacific Forum and the South Pacific Commission.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.C.R. No. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 1, S.D. 1.

Signed by all members of the Committee except Senators Hagino and Reed.

SCRep. 1414 (Joint) Agriculture and Environmental Protection and Transportation and Intergovernmental Relations on S.C.R. No. 179

The purpose of this Concurrent Resolution is to request the formation of a blue ribbon panel to review the Clean Air Act Amendments of 1990.

Your Committees received supporting testimony from the State Department of Health.

Your Committees find that all new passenger vehicles by 1995, in accordance with the Clean Air Act, must meet new emission standards. Your Committees also find that though most fuel companies are attempting to formulate new fuels as well as modify engines to meet these new standards, they will still be unable to meet them in the time given.

Your Committees further find that steps must be taken to insure that all forms of motor vehicles will be able to conform to the goals of the Clean Air Act within the allotted time given, and that the best way to achieve this is to form a panel made up of experts in the field to create a "think tank" in which they may, by combining forces, find a solution to this problem.

Your Committees on Agriculture and Environmental Protection and Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 179 and recommends its adoption.

Signed by all members of the Committees except Senator Yamasaki.

SCRep. 1415 Judiciary on S.C.R. No. 203

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of transferring the Traffic Violations Bureau and the responsibilities related to the enforcement of traffic and pet ownership laws to the counties and implementing a municipal court system.

Presently, the regulation and enforcement of traffic and pet violations require the involvement of both state and county agencies, such as the police and prosecutors who are employed by the various counties, and the court and traffic violations bureau personnel who are employed by the State. However, all traffic and pet violation fines are collected by the State. The study requested in the resolution will review the feasibility of transferring responsibilities for the enforcement of traffic and pet laws in order to permit the counties to retain associated fines and reduce the workload of the Judiciary.

Your Committee received testimony in support of the resolution from the Honolulu City Council and a private citizen.

The Judiciary expressed concern that the resolution contemplates a dual judicial system, which will cause duplication of work, waste of resources and greater accountability problems in the collection of fines and disposition of traffic cases between the counties and the state Judiciary. The Judiciary testified that other bills considered this year by the Legislature proposed more feasible and efficient ways of addressing the intent of the resolution.

Your Committee amended the resolution by narrowing the focus of the study to address the feasibility of transferring the disposition of parking violations to the counties and by requesting that the Hawaii State Association of Counties conduct the study with the cooperation of the Judiciary. Your Committee finds that the resolution, as amended, will result in a more practical study that will address both the purpose of the resolution as well as the concerns of the Judiciary.

Your Committee on Judiciary concurs with the intent and purpose of S.C.R. No. 203, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 203, S.D. 1.

Signed by all members of the Committee except Senators McMurdo, Tungpalan, Ikeda and Matsuura.

SCRep. 1416 Judiciary on S.R. No. 179

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of transferring the Traffic Violations Bureau and the responsibilities related to the enforcement of traffic and pet ownership laws to the counties and implementing a municipal court system.

Presently, the regulation and enforcement of traffic and pet violations require the involvement of both state and county agencies, such as the police and prosecutors who are employed by the various counties, and the court and traffic violations bureau personnel who are employed by the State. However, all traffic and pet violation fines are collected by the State. The study requested in the resolution will review the feasibility of transferring responsibilities for the enforcement of traffic and pet laws in order to permit the counties to retain associated fines and reduce the workload of the Judiciary.

Your Committee received testimony in support of the resolution from the Honolulu City Council and a private citizen.

The Judiciary expressed concern that the resolution contemplates a dual judicial system, which will cause duplication of work, waste of resources and greater accountability problems in the collection of fines and disposition of traffic cases between the counties and the state Judiciary. The Judiciary testified that other bills considered this year by the Legislature proposed more feasible and efficient ways of addressing the intent of the resolution.

Your Committee amended the resolution by narrowing the focus of the study to address the feasibility of transferring the disposition of parking violations to the counties and by requesting that the Hawaii State Association of Counties conduct the study with the cooperation of the Judiciary. Your Committee finds that the resolution, as amended, will result in a more practical study that will address both the purpose of the resolution as well as the concerns of the Judiciary.

Your Committee on Judiciary concurs with the intent and purpose of S.R. No. 179, as amended herein, and recommends that it be referred to the Leadership Committee on Legislative Management, in the form attached hereto as S.R. No. 179, S.D. 1.

Signed by all members of the Committee except Senators McMurdo, Tungpalan, Ikeda and Matsuura.

SCRep. 1417 Education on S.C.R. No. 115

The purpose of this Concurrent Resolution is to urge the University of Hawaii to require courses on occupational exposure to Human Immunodeficiency virus (HIV) and Hepatitis B (HBV) including prevention and education in the College of Health Sciences and Social Welfare and in the Allied Health Sciences Programs.

Your Committee received testimony in support of this measure from the University of Hawaii, Medical School and School of Nursing; the Governor's Committee on AIDS; the Department of Health; and the Department of Labor and Industrial Relations.

The importance of these students learning about the recommended prevention techniques as well as the newly emerging post-exposure treatments such as AZT cannot be stressed enough. The entire issue of occupational exposure is evolving very rapidly, and the fears surrounding this issue undoubtedly play a part in discouraging young people from entering the health care field. The recently reported case of a dentist transmitting HIV to a patient also adds to this already complex issue.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 115 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1418 Education on S.R. No. 95

The purpose of this Resolution is to urge the University of Hawaii to require courses on occupational exposure to Human Immunodeficiency virus (HIV) and Hepatitis B (HBV) including prevention and education in the College of Health Sciences and Social Welfare and in the Allied Health Sciences Programs.

Your Committee received testimony in support of this measure from the University of Hawaii, Medical School and School of Nursing; the Governor's Committee on AIDS; the Department of Health; and the Department of Labor and Industrial Relations.

The importance of these students learning about the recommended prevention techniques as well as the newly emerging post-exposure treatments such as AZT cannot be stressed enough. The entire issue of occupational exposure is evolving very rapidly, and the fears surrounding this issue undoubtedly play a part in discouraging young people from entering the health care field. The recently reported case of a dentist transmitting HIV to a patient also adds to this already complex issue.

Your Committee on Education concurs with the intent and purpose of S.R. No. 95 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1419 Education on S.C.R. No. 209

The purpose of this Concurrent Resolution is to request the community colleges of the University of Hawaii system to consider approving and implementing the instruction curriculum of the PECA-HEW Apprenticeship Training Program.

There is a shortage of trained and licensed electricians in the State, and it is important that more opportunities are made available for interested persons to participate in an electrician training program.

Testimony from the University of Hawaii indicated that the community colleges have already reviewed the proposed curriculum PECA-HEW Apprenticeship Training Program. Upon approval by the community colleges, it appears that the PECA-HEW program will be ready for immediate implementation.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 209 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1420 Education on S.R. No. 187

The purpose of this Resolution is to request the community colleges of the University of Hawaii system to consider approving and implementing the instruction curriculum of the PECA-HEW Apprenticeship Training Program.

There is a shortage of trained and licensed electricians in the State, and it is important that more opportunities are made available for interested persons to participate in an electrician training program.

Testimony from the University of Hawaii indicated that the community colleges have already reviewed the proposed curriculum PECA-HEW Apprenticeship Training Program. Upon approval by the community colleges, it appears that the PECA-HEW program will be ready for immediate implementation.

Your Committee on Education concurs with the intent and purpose of S.R. No. 187 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1421 Education on S.C.R. No. 182

The purpose of this Concurrent Resolution is to request the Department of Education to evaluate various phonics-based approaches to language arts instruction, and submit plans for a phonics pilot project to the Legislature.

Your Committee finds that an evaluation of the different methods of phonics instruction will provide information and insight that will allow the Department of Education to assess the value of such methods of instruction.

The Department of Education testified in opposition to this Concurrent Resolution, stating that a phonics program already exists in the Department of Education curriculum, but that it is only one component of the entire reading program. The Superintendent stated that current reading programs effectively address phonics using a variety of methods, and that phonetic analysis is only one of the decoding strategies students are taught.

In addition to phonics skills, students are taught to develop a bank of word recognition and comprehension strategies, allowing them to select the most efficient strategy to determine what is being read.

Your Committee notes, however, that there is strong public sentiment in support of this Concurrent Resolution. Therefore, your Committee has amended this measure by requesting that the study be conducted by the Board of Education Curriculum Committee, instead of the Department of Education. The Board of Education is charged with determining school curriculum, and it is not your Committee's intent to circumvent this authority. Your Committee also requested that the Board of Education Curriculum Committee consider adding phonics materials to the Department of Education's approved curriculum list.

Your Committee further amended this measure by giving the Board of Education discretion in deciding whether or not to submit a plan for implementation of a phonics pilot project, and specifying that the pilot project would be voluntary. Your Committee strongly believes that in the spirit of school/community-based management, each individual school should have the authority to decide if it wants to implement the program.

Finally, your Committee requested that the Board of Education submit a report to the Legislature prior to the 1992 Regular Session if a voluntary phonics pilot project is developed.

Your Committee on Education concurs with the intent and purpose of S.C.R. No. 182, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 182, S.D. 1.

Signed by all members of the Committee.

SCRep. 1422 Education on S.R. No. 161

The purpose of this Resolution is to request the Department of Education to evaluate various phonics-based approaches to language arts instruction, and submit plans for a phonics pilot project to the Legislature.

Your Committee finds that an evaluation of the different methods of phonics instruction will provide information and insight that will allow the Department of Education to assess the value of such methods of instruction.

The Department of Education testified in opposition to this Resolution, stating that a phonics program already exists in the Department of Education curriculum, but that it is only one component of the entire reading program. The Superintendent stated that current reading programs effectively address phonics using a variety of methods, and that phonetic analysis is only one of the decoding strategies students are taught.

In addition to phonics skills, students are taught to develop a bank of word recognition and comprehension strategies, allowing them to select the most efficient strategy to determine what is being read.

Your Committee notes, however, that there is strong public sentiment in support of this Resolution. Therefore, your Committee has amended this measure by requesting that the study be conducted by the Board of Education Curriculum Committee, instead of the Department of Education. The Board of Education is charged with determining school curriculum, and it is not your Committee's intent to circumvent this authority. Your Committee also requested that the Board of Education Curriculum Committee consider adding phonics materials to the Department of Education's approved curriculum list.

Your Committee further amended this measure by giving the Board of Education discretion in deciding whether or not to submit a plan for implementation of a phonics pilot project, and specifying that the pilot project would be voluntary. Your Committee strongly believes that in the spirit of school/community-based management, each individual school should have the authority to decide if it wants to implement the program.

Finally, your Committee requested that the Board of Education submit a report to the Legislature prior to the 1992 Regular Session if a voluntary phonics pilot project is developed.

Your Committee on Education concurs with the intent and purpose of S.R. No. 161, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 161, S.D. 1.

Signed by all members of the Committee.

SCRep. 1423 Education on S.R. No. 18

The purpose of this Resolution is to request full reinstatement of the vocational teacher education program at the University of Hawaii College of Education.

Your Committee recognizes the importance of vocational education and the proper provision of preservice and inservice support for aspiring and practicing vocational education teachers. However, your Committee concurs with the testimony of the College of Education that a complete assessment of vocational education in the State would be more appropriate at this time.

Accordingly, your Committee has amended this Resolution by:

- (1) Deleting the WHEREAS paragraph that attributes the decline in vocational teacher education inservice training to increased emphasis on research, based on the College of Education testimony stating that the conclusion is inaccurate;
- (2) Requesting a comprehensive assessment of vocational education in Hawaii and the formulation of an action plan to produce a pool of competent, well-trained vocational education teachers for the public schools, instead of requesting the full reinstatement of the vocational teacher education program and implementation of actions recommended by the Teacher Education Committee;
- (3) Requesting the University of Hawaii to submit a report on the progress of the action plan prior to the convening of the 1992 Regular Session; and
- (4) Deleting the requirement that the report include an inventory of College of Education full time positions with program assignments.

Your Committee on Education concurs with the intent and purpose of S.R. No. 18, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 18, S.D. 1.

Signed by all members of the Committee.

SCRep. 1424 (Joint) Education and Health and Human Services on S.C.R. No. 116

The purpose of this Concurrent Resolution is to request the designation of the Governor's Office of Children and Youth as the lead agency for early childhood education and care.

Your Committees received testimony in support of this measure from the Office of Children and Youth, the Department of Education, the Department of Human Services, the Hawaii Association for the Education of Young Children, PATCH, The Honolulu Community Action Program, the Hawaii Business Roundtable, and the Hawaii County Economic Opportunity Council.

Currently, delivery of child care services are fragmented among at least four departments creating duplication and gaps in services. Designation of a lead agency for statewide planning, coordination, evaluation, and development of a statewide service delivery network will eliminate many of the current problems.

On the recommendation of the Office of Children and Youth, your Committees have amended this bill by clarifying the scope and responsibilities of the lead agency.

Your Committees on Education and Health and Human Services concur with the intent and purpose of S.C.R. No. 116, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 116, S.D. 1.

Signed by all members of the Committees except Senator Kobayashi, B.

SCRep. 1425 (Joint) Education and Health and Human Services on S.R. No. 96

The purpose of this Resolution is to request the designation of the Governor's Office of Children and Youth as the lead agency for early childhood education and care.

Your Committees received testimony in support of this measure from the Office of Children and Youth, the Department of Education, the Department of Human Services, the Hawaii Association for the Education of Young Children, PATCH, The Honolulu Community Action Program, the Hawaii Business Roundtable, and the Hawaii County Economic Opportunity Council.

Currently, delivery of child care services are fragmented among at least four departments creating duplication and gaps in services. Designation of a lead agency for statewide planning, coordination, evaluation, and development of a statewide service delivery network will eliminate many of the current problems.

On the recommendation of the Office of Children and Youth, your Committees have amended this bill by clarifying the scope and responsibilities of the lead agency.

Your Committees on Education and Health and Human Services concur with the intent and purpose of S.R. No. 96, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 96, S.D. 1.

Signed by all members of the Committees except Senator B. Kobayashi.

SCRep. 1426 (Joint) Education and Transportation and Intergovernmental Relations on S.C.R. No. 158

The purpose of this Concurrent Resolution is to request the Legislative Auditor to study the implications of exempting the State from county restrictions relating to public school construction projects that are financed through the State Educational Facilities Improvement Special Fund.

This exemption would give the Department of Education needed flexibility to proceed with its CIP program within budget limitations by reducing the cost of projects by as much as eighteen percent.

Your Committees emphasize that the Department will continue to comply with federal, State, and county ordinances on rules for infrastructure requirements. However, the Department of Education, in their testimony, requested flexibility in deferring off-site infrastructure requirements that would not have any immediate beneficial impact to the schools and would add a significant cost to school projects.

Your Committees on Education and Transportation and Intergovernmental Relations concur with the intent and purpose of S.C.R. No. 158 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1427 (Joint) Planning, Land and Water Use Management and Science, Technology and Economic Development on S.C.R. No. 74

The purpose of this Concurrent Resolution is to authorize the Board of Land and Natural Resources to dispose of water rights pursuant to Chapter 171, Hawaii Revised Statutes, for the purpose of nonpolluting and nonconsumptive generation of hydroelectric power.

The water rights would be granted to Wailuku River Hydroelectric Power Company, Inc. by license to divert, impound, transmit, and use waters from Kalohehewa Stream, a tributary of the Hookelekele Stream, and Wailuku River, South Hilo, Hawaii, Tax Map Key: 3rd Tax Division/2-6-18:04.

Section 171-58 provides that water used in nonpolluting ways for nonconsumptive purposes and returned to the source from which it was drawn may be leased by the Board with prior approval of the Governor and prior authorization of the Legislature by Concurrent Resolution. This Concurrent Resolution constitutes such legislative authorization.

Your Committees on Planning, Land and Water Use Management and Science, Technology and Economic Development concur with the intent and purpose of S.C.R. No. 74 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1428 Planning, Land and Water Use Management on S.R. No. 192

The purpose of this Resolution is to request Congress to fashion, consider, and enact appropriate legislation to provide for the return of lands originally condemned by the federal government for public purposes, but no longer used for these purposes, to the original landowners.

Your Committee notes that, inherent in the power of eminent domain, is the requirement that property taken by the government be dedicated to public use. Whatever the initial justification for the taking, when the property is no longer used for the particular public purpose for which it was condemned, your Committee believes that the original private landowners should have a right to regain ownership. This Resolution urges Congress to enact legislation that would allow this to occur.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.R. No. 192 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda, Iwase and Matsuura.

SCRep. 1429 Planning, Land and Water Use Management on S.C.R. No. 214

The purpose of this Concurrent Resolution is to request Congress to fashion, consider, and enact appropriate legislation to provide for the return of lands originally condemned by the federal government for public purposes, but no longer used for these purposes, to the original landowners.

Your Committee notes that, inherent in the power of eminent domain, is the requirement that property taken by the government be dedicated to public use. Whatever the initial justification for the taking, when the property is no longer used for the particular public purpose for which it was condemned, your Committee believes that the original private landowners should have a right to regain ownership. This Concurrent Resolution urges Congress to enact legislation that would allow this to occur.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of S.C.R. No. 214 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda, Iwase and Matsuura.

SCRep. 1430 (Joint) Transportation and Intergovernmental Relations and Health and Human Services on S.C.R. No. 37

The purpose of this Concurrent Resolution is to develop a coordinated statewide program of transportation services for developmentally disabled persons.

Your Committees received testimony in support of the Concurrent Resolution from the Department of Transportation, the State Planning Council on Developmental Disabilities, and the Commission on Persons with Disabilities.

Your Committees find that the provision of transportation services for persons with disabilities is primarily the responsibility of the State. In the absence of adequate transportation services the State cannot ensure that all persons with disabilities have the opportunity to be socially and economically functional and independent.

Your Committees have amended this Concurrent Resolution by substituting the Legislative Auditor as the agency responsible for the comprehensive study on transportation services and policies and has modified the title accordingly. Your Committees have also expanded the scope of the study to include the provision of these services to all persons with disabilities; not only those with developmental disabilities. This is also reflected in the new title.

Your Committees on Transportation and Intergovernmental Relations and Health and Human Services concur with the intent and purpose of S.C.R. No. 37, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 37, S.D. 1.

Signed by all members of the Committees except Senators Cobb, Mizuguchi and Koki.

SCRep. 1431 Transportation and Intergovernmental Relations on S.C.R. No. 176

The purpose of this Concurrent Resolution is to urge the Legislature to state its opposition to the federal requirement requiring states to revoke the driver's licenses of all drug offenders, even when there is no nexus between the drug offense and the use of a motor vehicle.

Your Committee finds that the State of Hawaii already revokes the driver's license of any driver convicted of a felony in which a motor vehicle is used when a nexus between the crime and the revocation is clearly established. By threatening withdrawal of federal highway funding, the federal government impedes upon the State's ability to mold its own policies.

Upon further consideration, your Committee has amended this measure by substituting the provisions of H.C.R. No. 332 for purposes of style and clarity. In addition, your Committee requested that certified copies of this Concurrent Resolution be sent to the U.S. Secretary of Transportation and the Governor of the State of Hawaii.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of S.C.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 176, S.D. 1.

Signed by all members of the Committee except Senators Cobb, Blair and George.

SCRep. 1432 (Joint) Transportation and Intergovernmental Relations and Health and Human Services on S.R. No. 35

The purpose of this Resolution is to develop a coordinated statewide program of transportation services for developmentally disabled persons.

Your Committees received testimony in support of the Resolution from the Department of Transportation, the State Planning Council on Developmental Disabilities, and the Commission on Persons with Disabilities.

Your Committees find that the provision of transportation services for persons with disabilities is primarily the responsibility of the State. In the absence of adequate transportation services the State cannot ensure that all persons with disabilities have the opportunity to be socially and economically functional and independent.

Your Committees have amended this Resolution by substituting the Legislative Auditor as the agency responsible for the comprehensive study on transportation services and policies and has modified the title accordingly. Your Committees have also expanded the scope of the study to include the provision of these services to all persons with disabilities; not only those with developmental disabilities. This is also reflected in the new title.

Your Committees on Transportation and Intergovernmental Relations and Health and Human Services concur with the intent and purpose of S.R. No. 35, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as S.R. No. 35, S.D. 1.

Signed by all members of the Committees except Senators Mizuguchi and Koki.

SCRep. 1433 Judiciary on H.C.R. No. 22

The purpose of this resolution is to express support for Mr. Yamashita's efforts to correct his military record and seek redress of the unjust and racially bias treatment he experienced at the United States Marine Corps 140th Officer Candidate School, Quantico, Virginia in 1989.

This resolution presented a special challenge to your Committee because the allegations are under investigation by the United States Marine Corps, making it difficult for the United States Marine Corps to comment on a continuing investigation. Thus, the Committee was not presented with a position or statement of the facts from the United States Marine Corps.

The Committee was reticent to act upon an ex parte statement of the facts, especially on allegations that member's of an institution with a long tradition of sacrifice for our nation committed acts which are contrary to the fundamental principles of our society.

Therefore, at the hearing, your Committee asked the proponents of the resolution to substantiate their charges with corroborating statements from other members of the 140th Officer Candidate School. They complied. Your Committee received written confirmation of the alleged acts of racial harassment from five eye witnesses who were members of Mr. Yamashita's company.

While your Committee did not have the procedural benefits and safeguards of subpoenaed witnesses, testimony under oath and cross examination of witnesses, we are nonetheless convinced that Mr. Yamashita was subjected to reprehensible harassment because of his race. In light of that firm conviction, we feel compelled to express outrage, and call for a full and unbiased review, followed by remedial action sufficient to assure that others are not subjected to such racial discrimination and that Mr. Yamashita is given justice.

Any member of the armed services who discriminates against others on the basis of their race shows a woeful ignorance of the heroism that has been demonstrated in combat by members of all races. It can only be hoped that any such individuals will not be allowed to continue wearing those uniforms if an unbiased investigation confirms the allegations.

The strength of the Committee's sentiment is, in part, a reflection of the history of Hawaii citizens of Japanese ancestry in World War II. Five decades ago, the members of the 100th Infantry Battalion/442nd Regimental Combat Team fought both our nations enemies abroad and discrimination at home. The latter is, apparently, the more intractable and insidious foe.

In a year that will commemorate the 50th anniversary of the attack on Pearl Harbor we should be especially mindful of the lessons of World War II. Foremost among them is that we are bound together as a nation by shared values and principles, not by race, creed or color.

Your Committee has amended the resolution in an effort to be a bit more concise and focused, but concurs entirely with the sentiment of our colleagues in the originating body.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 22, S.D. 1.

Signed by all members of the Committee.

LCRep. 1434 Executive Appointments on Gov. Msg. Nos. 262, 263, 264, 265, 288, 289, 290, 291, 292, 293 and 294

Recommending that the Senate advise and consent to the nominations of the following:

MARSHA R. JOYNER to the Aquatic Life and Wildlife Advisory Committee, City and County of Honolulu, term to expire June 30, 1994;

BRUCE K.C. HOM, GILBERT S. KURATA, and RAYMOND M. TAMARIBUCHI, to the Aquatic Life and Wildlife Advisory Committee, City and County of Honolulu, terms to expire June 30, 1995;

WALLACE A. ISHIBASHI, JR., MICHAEL P. JERVIS, SR., and MICHAEL MURANAKA, to the Aquatic Life and Wildlife Advisory Committee, County of Hawaii, terms to expire June 30, 1995;

MALCOLM C. FERNANDEZ, CLAYTON SAKAHASHI and WAYNE TANJI, to the Aquatic Life and Wildlife Advisory Committee, County of Kauai, terms to expire June 30, 1995;

GEORGE N. CHUNG and JUDITH S. TANAKA to the Aquatic Life and Wildlife Advisory Committee, City and County of Maui, terms to expire June 30, 1995;

ELWIN L. SPRAY to the Board of Registration, Island of Oahu, term to expire June 30, 1992;

MELVIN KAUAHI to the Board of Registration, Kauai and Niihau, term to expire June 30, 1995;

WARREN ORIKASA to the Board of Registration, Maui, Molokai, Lanai and Kahoolawe, term to expire June 30, 1995;

(DICK) ISOO OSHIMA and THEODORE (TED) O. TALBOTT to the Board of Taxation Review, First Taxation District (Oahu), terms to expire June 30, 1995;

GERALD N. HIYAKUMOTO to the Board of Taxation Review, Second Taxation District (Maui), term to expire June 30, 1995;

ELMER A. VIEIRA to the Board of Taxation Review, Third Taxation District (Hawaii), term to expire June 30, 1995; and

WILLIAM T. HONJIYO to the Board of Taxation Review, Fourth Taxation District (Kauai), term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1435 Executive Appointments on Gov. Msg. Nos. 210, 242, 268, 270, 273, 274, 276, 277, 278, and 295

Recommending that the Senate advise and consent to the nominations of the following:

ALBERT H.M. CHANG, O.D., ROGER CHRISTIAN EDE, O.D., and CHESTER JOHN TWAROWSKI, O.D., to the Board of Examiners in Optometry, terms to expire June 30, 1995;

RONALD L. WALKER to the Advisory Committee on Pesticides, term to expire June 30, 1993;

JACK M. BANKS, JR., JAMES K. IKEDA, DANA KOKUBUN, ANNE F. LEE, Ph.D., and ROY K. NISHIMOTO to the Advisory Committee on Pesticides, terms to expire June 30, 1995;

TADAO OKIMOTO to the Civil Defense Advisory Council, term to expire June 30, 1995;

STEVEN S.C. LIM, DOUGLAS J. SAMESHIMA and MARK R. ZENGER to the Defender Council, terms to expire June 30, 1995;

LUCILLE VIVEIROS CHUNG, MARTIN WILLIAM CURNAN, VINCENT H.S. LEE and DALE T. ODA, M.D., to the State Emergency Medical Services Advisory Committee, terms to expire June 30, 1995;

LARRY N. MAGNUSSEN, M.D., to the State Emergency Medical Services Advisory Committee, term to expire June 30, 1994;

CHARLES T. ARAKI, Ed.D., CLARA J. (C.J.) BAEHR, YUKIE H. UEOKA and LINDA ANDRADE WHEELER, Ed.D., to the Hawaii Education Council, terms to expire June 30, 1995;

SHARON R. YAMADA to the Hawaii Housing Authority, term to expire June 30, 1993;

FAILAUTUSI AVEGALIO and DAVID JOHN TWIGG to the Board of Human Services, terms to expire June 30, 1993;

KAHUE KAAHA YOUNG to the Board of Human Services, term to expire June 30, 1995;

MICHAEL SEICHI NAKAMURA to the Juvenile Justice Interagency Board, term to expire June 30, 1992;

MILTON KIMO CHU to the Tourism Training Council, term to expire June 30, 1994; and

BARBARA F. MILLS, SHARAN C. RO and EARL PA MAI TENN to the Tourism Training Council, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1436 Executive Appointments on Gov. Msg. No. 256

Recommending that the Senate advise and consent to the nomination of BRIAN J.J. CHOY for Director of Environmental Quality Control, term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1437 Executive Appointments on Gov. Msg. No. 259

Recommending that the Senate advise and consent to the nomination of KINA'U BOYD KAMALI'I for State Administrator, State Health Planning and Development Agency, term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1438 Executive Appointments on Gov. Msg. Nos. 326, 327, 341, 348, 349, 350, 351, and 352

Recommending that the Senate advise and consent to the nominations of the following:

ANDREW APANA and DENNIS KAUAHI to the Hawaiian Homes Commission, terms to expire June 30, 1995;

JERROLD M. MICHAEL, MARK J. O'DONNELL and DON I. SAKAI to the Board of Health, terms to expire June 30, 1995;

JOHN K. IWAMOTO and BARBARA ANNE O'CONNOR to the Advisory Board on Veterans' Services, terms to expire June 30, 1995;

KIA FRONDA, WINIFRED PELE HANO and HERMAN PUOU KUNAWA, JR., to the Island Burial Council, Island of Hawaii, terms to expire June 30, 1992;

HENRY A. "PAPA" AUWAE, M. MELIA LANE-HAMASAKI, ROBERT KELIHOOMALU and MARLENAJON STAFFORD to the Island Burial Council, Island of Hawaii, terms to expire June 30, 1993;

ROSE AKANA FUJIMORI, EDWARD L. KANAHELE, and H. PETER L'ORANGE to the Island Burial Council, Island of Hawaii, terms to expire June 30, 1994;

PEARL ULUNUI GARMON, ARTHUR (PUNA) P. LERMA, RUBY P. McDONALD and ELI K. NAHULU to the Island Burial Council, Island of Hawaii, terms to expire June 30, 1995;

GARNER H. IVEY, JR., and AIMOKU PALI to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1992;

SAMUEL KALALAU III and CHARLES KAULUWEHI MAXWELL, SR., to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1993;

DANA NAONE HALL, CHARLES PILI KEAU and JAMES M. MURRAY, JR., to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1994;

RICHARD H. CAMERON, LORETTA PAAHANA HERA and LESLIE A. KULOLOIO to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1995;

MATTHEW K. ADOLPHO, JR., and LANI KAPUNI to the Island Burial Council, Island of Molokai, terms to expire June 30, 1992;

HENRY KEAWE AYAU, JR., COLETTE MACHADO and HENRY K. NALAIELUA to the Island Burial Council, Island of Molokai, terms to expire June 30, 1993;

PEARL ALICE HODGINS and KAWILA REYES to the Island Burial Council, Island of Molokai, terms to expire June 30, 1994;

WILLIAM AKUTAGAWA, JR., to the Island Burial Council, Island of Molokai, term to expire June 30, 1995;

MILES H. HAZAMA and VERA LANI ROSE to the Island Burial Council, Island of Oahu, terms to expire June 30, 1992;

JAMES L. AWAI, JR., GARY OMORI and THEOLA SILVA, to the Island Burial Council, Island of Oahu, terms to expire June 30, 1993;

HEALANI C. DOANE, LILLIAN P. KRUSE, LURLINE NAONE-SALVADOR and KUNANI NIHIPALI to the Island Burial Council, Island of Oahu, terms to expire June 30, 1994;

PHYLLIS COOCHIE CAYAN, CHARLES A. EHRHORN, LYDIA NAMAHAHA MAI'OHO and NANETTE PURNELL to the Island Burial Council, Island of Oahu, terms to expire June 30, 1995;

GERTRUDE KAPAHULEHUA and KAREN A. TAKETA to the Island Burial Council, Islands of Kauai and Niihau, terms to expire June 30, 1992;

WILMA HEALANI HOLI and ATTWOOD MAIKAI (MAKA) MAKANANI to the Island Burial Council, Islands of Kauai and Niihau, terms to expire June 30, 1993;

WILLIAM H. CAMPBELL, HELEN NA'UMU KANEAKUA and CARMEN L. PANUI to the Island Burial Council, Islands of Kauai and Niihau, terms to expire June 30, 1994; and

JEAN ILEI BENIAMINA, LA FRANCE KAPAKA-ARBOLEDA and DAVID W. PRATT to the Island Burial Council, Islands of Kauai and Niihau, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1439 Executive Appointments on Gov. Msg. Nos. 260, 261, 266, 267, 269, 271, 272, 280, 281, 282, 283, 284, 285, 286, 287, and 297

Recommending that the Senate advise and consent to the nominations of the following:

LINDA L. KELEKOMA, TERRY TAKEO TAMURA and BERT M. WAGATSUMA to the Board of Public Accountancy, terms to expire June 30, 1995;

JASON KAM-SANG CHUN to the Board of Acupuncture, term to expire June 30, 1993;

JOSLYN K. TAMURA to the Board of Barbers, term to expire June 30, 1994;

BARBARA M. KOKUBUN to the Board of Barbers, term to expire June 30, 1995;

LINDSEY J. KIMURA, D.C., to the State Board of Chiropractic Examiners, term to expire June 30, 1995;

WENDELL HOSEA, STANLEY M. TAKAMINE and DEXTER I. IRIGUCHI to the Consumer Advisory Council, terms to expire June 30, 1995;

DONALD T. KAWANE, D.D.S., and FRANK K. KAJIWARA, D.D.S., to the Board of Dental Examiners, terms to expire June 30, 1995;

RICHARD KUSUDA to the Elevator Mechanics Licensing Board, term to expire June 30, 1992;

THEODORE J. YAP and GARY M. TAKAHASHI to the Elevator Mechanics Licensing Board, terms to expire June 30, 1995;

RICHARD S. EKIMOTO to the Board of Massage, term to expire June 30, 1994;

LUCILLE SACHIKO JAMES to the Board of Massage, term to expire June 30, 1995;

WILLIAM FRUEAN, M.D., MELVYN M. KANESHIRO, M.D., CHRISTINE E. KURIYAMA and MOON SOO PARK, M.D., to the Board of Medical Examiners, terms to expire June 30, 1995;

BARBARA RUTH S. UWEKO'OLANI, R.N., to the State Board of Nursing, term to expire June 30, 1993;

ABRAHAM L. CHOY to the Board of Nursing Home Administrators, term to expire June 30, 1992;

CLIFFORD E. MILLER, JR., to the Board of Nursing Home Administrators, term to expire June 30, 1993;

DOSS K. TANNEHILL and ROGER M. YAMAMOTO to the Board of Dispensing Opticians, terms to expire June 30, 1995;

RONALD Y. FUJIMOTO, D.O., to the Board of Osteopathic Examiners, term to expire June 30, 1995;

CYNTHIA LOUISE PRICE to the Board of Physical Therapy, term to expire June 30, 1992;

WILLIAM R. HIGA, Ph.D., and PATTI SHIRAKAWA, Ph.D., to the Board of Psychology, terms to expire June 30, 1995;

JOY AKINO SHIMABUKU to the Board of Veterinary Examiners, term to expire June 30, 1993; and

CORDELL W.J. CHANG, D.V.M., and JOHN D. HADDOCK, D.V.M., to the Board of Veterinary Examiners, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1440 Executive Appointments on Gov. Msg. No. 57

Recommending that the Senate advise and consent to the nomination of YUKIO KITAGAWA, term to expire for Chairman, Board of Agriculture, term to expire December 31, 1994.

Signed by all members of the Committee.

LCRep. 1441 Executive Appointments on Gov. Msg. No. 72

Recommending that the Senate advise and consent to the nomination of MURRAY E. TOWILL for Director of Business, Economic Development, and Tourism, term to expire December 5, 1994.

Signed by all members of the Committee.

LCRep. 1442 Executive Appointments on Gov. Msg. No. 208

Recommending that the Senate advise and consent to the nomination of DAVID J. REBER to the State Highway Safety Council, term to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1443 Executive Appointments on Gov. Msg. No. 323

Recommending that the Senate advise and consent to the nominations of MEHEROO F. JUSSAWALLA, Ph.D., and SUSAN SHEPHERD to the Board of Directors of the Hawaii Information Network Corporation (Hawaii Inc.), terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1444 Executive Appointments on Gov. Msg. Nos. 204, 206, 207, 212, 213, 214, 223, 224, 238, 240, 243, and 251

Recommending that the Senate advise and consent to the nominations of the following:

DAPHNE E. BARBEE to the Civil Rights Commission, term to expire June 30, 1995;

GEOFFREY HAMILTON to the Criminal Injuries Compensation Commission, term to expire June 30, 1995;

GORDON H. ITO to the Board of Trustees, Deferred Compensation Plan, term to expire June 30, 1995;

GARY W. RODRIGUES to the Board of Directors, Research Corporation, University of Hawaii, term to expire June 30, 1995;

JAMES A. KING to the Commission to Promote Uniform Legislation, term to expire June 30, 1995;

HARLAN H. HASHIMOTO, WARREN MIYAO, NICANOR MUSICO and HAROLD YEE to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, terms to expire June 30, 1995;

WALLACE J. INGLIS to the Commission on Persons with Disabilities, term to expire June 30, 1993;

JANE F. KELLEHER, Ph.D., and MARK TOORU OBATAKE to the Commission on Persons with Disabilities, terms to expire June 30, 1995;

MILLICENT L.K. ROGERS to the Commission on Persons with Disabilities, term to expire June 30, 1994;

JOHN JACOB ING and CHRISTOPHER OWEN HAO KAUAAHI to the Advisory Commission on Drug Abuse and Controlled Substances, terms to expire June 30, 1995;

RAYMOND W. BRUST, JR., M.D., to the Radiologic Technology Board, term to expire June 30, 1995;

ALBERT T. HAMAI, PHILIA K.Y. LAU, ROY M. TAKUMI, JAMES WESTLAKE, EARL M. YAMAOKA, ETHEL AIKO ODA, Ph.D., and DANIEL A. RUTT to the Advisory Commission on Employment and Human Resources, terms to expire June 30, 1994;

JERRY Y. NAGO to the Advisory Commission on Employment and Human Resources, term to expire June 30, 1991;

ANNA LISE DYHR VOGEL to the Board of Vocational Rehabilitation, term to expire June 30, 1995; and

KAY K. KAITO, ROBERT L. ELLIS, WINIFRED N. ODO, JOYCE D. METZGER, JAMIE WOODBURN, NEIL SHIM, ROBERT A. STODDEN, Ph.D., SANDRA S. RONGITSCH, ANGIE CONNOR, M.D., DIRK WASANO and KELLY MORISHIMA to the State Planning Council on Developmental Disabilities, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1445 Executive Appointments on Gov. Msg. Nos. 233, 241, 275, 279, 302, 303, 304, 305, 306, 307, 308, 309, and 310

Recommending that the Senate advise and consent to the nominations of the following:

DARLENE VAITAI ASUEGA to the State Council on Mental Health and Substance Abuse, term to expire June 30, 1992;

PAT MERRILL to the State Council on Mental Health and Substance Abuse, term to expire June 30, 1993;

SUSAN MEYERS CHANDLER, JUANITA A. IWAMOTO, JANET PHYLLIS KATH and SHARRON L. MURPHY to the State Council on Mental Health and Substance Abuse, terms to expire June 30, 1995;

BETSY HARRISON GAGNE' to the Natural Area Reserves System Commission, term to expire June 30, 1993;

MAI McDOWELL, HENRY PELEKAI and STEVE WHEELER to the Hawaii Fisheries Coordinating Council, terms to expire June 30, 1995;

LUCY M. AKAU, LUANA SAFFERY BECK, SHIRLEY KEKAUONOHI FUNG, IPOLANI JOHNSON, LORI SABLAS and SYLVIA A.M. SCHNECK to the King Kamehameha Celebration Commission, terms to expire June 30, 1995;

PAUL V. QUINSAAT to the Advisory Council for Children and youth, term to expire June 30, 1992;

PATTI COOK to the Advisory Council for Children and Youth, term to expire June 30, 1993;

MARY G.F. BITTERMAN, JANETH REY D. LAGAT and YUN CHU PILLES to the Advisory Council for Children and Youth, terms to expire June 30, 1995;

MALCOLM J. LOVE and TOM POY to the Correctional Industries Advisory Committee, terms to expire June 30, 1992;

STUART S. ASAHINA, TOBY BAILIN, WILLIAM BUZZ HONG, BERTHA S.J. NAHOOPII and MARC V. OLEY to the Correctional Industries Advisory Committee, terms to expire June 30, 1993;

BARTON M. SAXTON, PAUL K. SHINSEKI and JERRY WAGNON to the Credit Union Review Board, terms to expire June 30, 1995;

TAMAR CHOTZEN, MICHAEL H. FURUKAWA, MELVIN D.L. KALAHIKI, LOUIS K. KANAE, AGNES P. PERREIRA and MURIEL R. ROBERTS to the Environmental Council, terms to expire June 30, 1995;

PUANANI BURGESS to the Hawaii Aquaculture Advisory Council, term to expire June 30, 1992;

ROBERT H. McKAY, Ph.D., to the Board of Hearing Aid Dealers and Fitters, term to expire June 30, 1991;

THEODORO GANADE, FIA MAU and KATHLEEN A. WHEELER to the Board of Hearing Aid Dealers and Fitters, terms to expire June 30, 1995;

PETER N. ADAMS to the State Council on Mental Health and Substance Abuse, term to expire June 30, 1995;

DAVID DeLUZ, SR., and LEILA C. TANAKA to the Motor Vehicle Industry Licensing Board, terms to expire June 30, 1995; and

SUSUMU MAEDA and TAREN TAGUCHI to the Motor Vehicle Repair Industry Board, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1446 Executive Appointments on Gov. Msg. Nos. 225, 226, 227, 228, 229, 230, 231, 232, 234, 235, 236, and 237

Recommending that the Senate advise and consent to the nominations of the following:

CATHERINE KIM NOBRIGA to the Statewide Health Coordinating Council, term to expire June 30, 1992;

ARTHUR A. USHIJIMA, RUSSEL BOTELHO, SR., DAWN K. AMANO-IGE, ANNETTE LYNE HEATHER-LEAO and BERNARD A.K.S. HO to the Statewide Health Coordinating Council, terms to expire June 30, 1995;

FRANCES A. HALLONQUIST, CLARE R. MALECHA, ALICE H.S. KIM and NATHAN K.H. MAU to the Honolulu Subarea Health Planning Council, terms to expire June 30, 1995;

ALVIN S. FUSE, M.D., and ANNETTE LYNE HEATHER-LEAO to the Central Oahu Subarea Health Planning Council, terms to expire June 30, 1995;

G. ANALIKA VICTOR and DONNA A. ABDUL to the Waianae Coast Subarea Health Planning Council, terms to expire June 30, 1994;

FLORENE D. PELL to the Waianae Coast Subarea Health Planning Council, term to expire June 30, 1995;

HANS TAALA to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1993;

SUSAN DE SENA HEWITT, ALLEN L. NOVAK, HIDEO MATSUSHITA and COLLEEN SAIKI to the Windward Oahu Subarea Health Planning Council, terms to expire June 30, 1995;

EMMA K.S. LAU and KIYOTOSHI OZAKI to the Hawaii County Subarea Health Planning Council, terms to expire June 30, 1992;

HARRY BORANIAN, YOSHITO IWAMOTO, JOHN KAIZUKA, BOB T. KITA and CAROL LESTINA-MATTES to the Hawaii County Subarea Health Planning Council, terms to expire June 30, 1995;

LILLIAN K. DURANT, WILLIAM A. RENTI CRUZ, M.D., HIRAM L.K.H. YOUNG, M.D., and DENNIS CALVIN WILLIAMS, JR., to the Kauai County Subarea Health Planning Council, terms to expire June 30, 1995;

SHIRLEY H. KODANI to the Maui County Subarea Health Planning Council, term to expire June 30, 1994;

RICHARD S. HIGASHI, PAUL EMIL HOFFMAN, M.D., CATHERINE NOBRIGA KIM and LOUIS J. ROMERO to the Maui County Subarea Health Planning Council, terms to expire June 30, 1995;

AGNES G. WOLFE and WARREN WONG, M.D., to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1995;

FRED C. HOLSCHUH, M.D., and CLIFTON K. TSUJI to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1995;

LUDVINA K. TAKAHASHI and FLORENCE TOMITA to the County Public Health Facility Management Advisory Committee, County of Kauai, terms to expire June 30, 1995;

STEVEN M. MOSER, M.D., to the County Public Health Facility Management Advisory Committee, County of Maui, term to expire June 30, 1994;

PEPITO RAGASA and HERBERT H. SAKAKIHARA to the County Public Health Facility Management Advisory Committee, County of Maui, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1447 Executive Appointments on Gov. Msg. Nos. 313, 317, 319, 320, 325, 331, 332, 333, 334, 335, 343, and 344

Recommending that the Senate advise and consent to the nominations of the following:

WALLACE ADVIENTO to the Board of Electricians and Plumbers, term to expire June 30, 1993;

WAYNE MATSUMOTO, JOSEPH K. REFF and VICKI von STROHEIM-SEAY to the Board of Electricians and Plumbers, terms to expire June 30, 1995;

ANGELINE CAPOROZ, LAWRENCE A. QUINTOS, VICKY G. RAMIL and SENGDAO RATTANASAMAY to the Advisory Council for Community Services, terms to expire June 30, 1995;

WARREN G. HAIGHT to the Policy Advisory Board for Elderly Affairs, term to expire June 30, 1993;

SILVIO "FLIP" GRISOLANO, GARY K. KAI, GENJI SANTOKI, BENJAMIN C. SIGAL, CAROL ANN S. TAKAHASHI and MARY I. VENTURA to the Policy Advisory Board for Elderly Affairs, terms to expire June 30, 1995;

GORDON KANJI UYEDA to the Board of Trustees, Employees' Retirement System, term to expire January 1, 1993;

EDWARD H. NAKAMURA to the Board of Trustees, Employees' Retirement System, term to expire January 1, 1997;

BYRON BENDER, Ph.D., GEORGE BUTTERFIELD and FRED S. TOKORO, to the Board of Trustees, Hawaii Public Employees Health Fund, terms to expire June 30, 1995;

RENTON L.K. NIP to the Land Use Commission, term to expire June 30, 1995;

ANN DERAMO and DOUGLAS D. EHRESMAN to the Library Advisory Commission, City and County of Honolulu, terms to expire June 30, 1993;

NATALIE B. NOVAK and AVETONU NUUSILA to the Library Advisory Commission, City and County of Honolulu, terms to expire June 30, 1995;

JO ANN SASAKI to the Library Advisory Commission, County of Hawaii, term to expire June 30, 1992;

PATRICK A. FARIAS to the Library Advisory Commission, County of Hawaii, term to expire June 30, 1993;

EDEAN D. BARNES, KAREN DeSOTO and MAILE B. MELROSE to Library Advisory Commission, County of Hawaii, terms to expire June 30, 1995;

IRENE WILHELM to the Library Advisory Commission, County of Kauai, term to expire June 30, 1994;

FEDERICO R. CUARESMA, CYNTHIA MARIE HALASEY and NAOKO H. HO to the Library Advisory Commission, County of Kauai, terms to expire June 30, 1995;

RUTH O. PUCHEK to the Library Advisory Commission, County of Maui, term to expire June 30, 1992;

MARY-HELEN IVEY, LINDA LINDSAY and ELAINE K. YAMASHITA to the Library Advisory Commission, County of Maui, terms to expire June 30, 1995;

MICHAEL JUSTIN CHUN, Ph.D., and ROBERT S. NAKATA to the Commission on Water Resource Management, terms to expire June 30, 1995;

MILI (MIRIAM) AITOGI PETERS and SHIRLEY HARUE SASAKI TANI to the Commission on the Status of Women, terms to expire June 30, 1994;

MINJA KIM CHOE, CAROL C. CUMMINGS, S.J. GELB, Ph.D., STEPHANIE REZENTS and MARIE F. SMITH to the Commission on the Status of Women, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1448 Executive Appointments on Gov. Msg. Nos. 296, 315, 316, 318, 321, 322, 324, 328, 329, 337, 339, 345, and 346

Recommending that the Senate advise and consent to the nominations of the following:

JULIET K. AIU and C. MIKE KIDO to the Commission on Transportation, terms to June 30, 1995;

JOHN P. SPIERLING to the Board of Directors, Aloha Tower Development Corporation, term to expire June 30, 1995;

GEORGE M. AMIMOTO to the Boxing Commission, term to expire June 30, 1995;

ELISA YADAO to the Boxing Commission, term to expire June 30, 1993;

JILL T. CHAVEZ, ROBERT Y. KATSURA and MARVIN R. KOGA to the Contractors License Board, terms to expire June 30, 1995;

GENE J. DUMARAN and WILLIAM F. REMULAR to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, terms to expire June 30, 1995;

WESLEY W.H. CHONG and RICHARD B.F. CHOY to the Hawaii Community Development Authority, terms to expire June 30, 1995;

GEORGINA M. YUEN to the Hawaii Paroling Authority, term to expire June 30, 1993;

HENRY B. EPSTEIN to the Hawaii Paroling Authority, term to expire June 30, 1995;

ROBERT F. MOUGEOT, LANI D.H. NAKAZAWA and LEE K. TOOLE to the Board of Directors, High Technology Development Corporation, terms to expire June 30, 1995;

MOSES W. KEALOHA to the Board of Directors, Housing Finance and Development Corporation, term to expire June 30, 1992;

EDWARD R. AOTANI, DENNIS M. ESAKI and AL M. YAMAMOTO to the Board of Directors, Housing Finance and Development Corporation, terms to expire June 30, 1995;

ANNE S. KWIATKOWSKI to the Board of Psychology, term to expire June 30, 1995;

BRENDA K.H. CHING and JANE FUKUNAGA to the Board of Public Broadcasting, terms to expire June 30, 1997;

JERRY H. HIRATA to the Real Estate Commission, term to expire June 30, 1994;

MARCUS NISHIKAWA to the Real Estate Commission, term to expire June 30, 1995;

RACHAEL J. KAMAKANA and REVEREND LEON STERLING to the Community Based Development Advisory Council, terms to expire June 30, 1993;

MARTHA EVANS, EVERETT K. KINNEY and EDWINA K. TANAKA to the Community Based Development Advisory Council, terms to expire June 30, 1994;

LINDA M. COLBURN, MICHAEL J. COY, RICHARD C. LIM and ROBERT M. MONDEN to the Community Based Development Advisory Council, terms to expire June 30, 1995;

SHIRLEY L. ALEXANDER, CONSTANCE HEE LAU and RANDOLPH G. MOORE to the Board of Directors, Hawaii Strategic Development Corporation, terms to June 30, 1993;

BRUCE M. ROSEN to the Board of Directors, Hawaii Strategic Development Corporation, term to expire June 30, 1994; and

ROBERT M. FUJII, MITSURU FUJIMOTO and HENRY L. WONG, Ph.D., to the Board of Directors, Hawaii Strategic Development Corporation, terms to expire June 30, 1995.

Signed by all members of the Committee.

LCRep. 1449 Executive Appointments on Gov. Msg. No. 239

Recommending that the Senate advise and consent to the nominations to the Civil Service Commission of the following:

SARAH A. NEAL-FUJIMOTO, term to expire June 30, 1993; and

RUTH E.K. WALKER and EUGENE H. YAMAMOTO, terms to expire June 30, 1995.

Signed by all members of the Committee.

SCRep. 1450 Science, Technology and Economic Development on H.C.R. No. 271

The purpose of this Concurrent Resolution is to urge the President of the United States and the United States Congress to oppose federal textile and apparel legislation and other federal actions which restrict the importation of textiles and apparel intended for Hawaii's garment manufacturing, wholesaling, and retailing industries.

The garment manufacturing, wholesaling, and retailing industries in Hawaii were gravely threatened last year when Congress considered proposed federal textile and apparel legislation that would have limited growth in the importation of textiles and apparel to one percent per year above 1989 levels, and imposed a quota actioning pilot program.

The projected effects of enactment of that proposed legislation are the virtual elimination of Hawaii's garment manufacturing industry, a reduction in the numbers of garment and apparel retailers throughout the nation, reduced selection of garments and apparel in the retail stores, and increased retail prices for these articles. Fortunately this measure was not enacted into law.

A measure similar to the one considered last year is expected to be introduced again this year. Your Committee finds that passage of the measure would have serious detrimental effects on the 72,000 jobs in the state directly or indirectly dependant on the local garment manufacturing, wholesaling and retailing industries. These industries annually provide more than \$88 million of state tax revenues.

The State of Hawaii can ill afford to have any federal measures enacted that would further restrict the importation of textiles and apparel intended for Hawaii's garment manufacturing, wholesaling, and retailing industries.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 271, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1451 Science, Technology and Economic Development on H.C.R. No. 272

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to review available feasibility studies on bladeless turbine technology for applicability to geothermal wells in the State and report its findings to the Legislature.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 272, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1452 Science, Technology and Economic Development on H.C.R. No. 293

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to review State projects contracted to the Pacific International Center for High Technology Research (PICHTR) and report its findings to the Legislature. The Legislature, having created PICHTR and seeing it gain independence upon incorporation, continues to be interested in PICHTR's operation, especially with respect to projects funded in whole or in part by State funds. As a result of this review process, there should be a closer working relationship between DBEDT and PICHTR which will ease the administration of future projects.

Your Committee on Science, Technology and Economic Development concurs with the intent and purpose of H.C.R. No. 293, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1453 Judiciary on H.C.R. No. 317

The purpose of this resolution is to express the State Legislature's strong support of the passage of the Civil Rights Act of 1991 in Congress.

Congress is presently considering H.R. 1, the Civil Rights Act of 1991, which is intended to restore civil rights protections which were dramatically limited by recent U.S. Supreme Court decisions and to strengthen existing protections and remedies available under federal civil rights laws to provide more effective deterrence and adequate compensation for victims of discrimination.

Your Committee finds that the resolution is consistent with our public policy to promote equality and mutual respect by eliminating discriminatory practices.

Your Committee made non-substantive technical amendments.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 317, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 317, S.D. 1.

Signed by all members of the Committee.

SCRep. 1454 Judiciary on H.C.R. No. 331

The purpose of the resolution is to request the Governor to establish a task force comprised of representatives from the executive agencies to study and make recommendations on the following:

- (1) The feasibility of developing and establishing a central panel of hearings officers;
- (2) The improvement of rules on adjudicatory hearings and proposed changes to the Hawaii Administrative Procedure Act, Chapter 91 of the Hawaii Revised Statutes; and
- (3) The adoption of a uniform code of conduct for hearing officers.

Presently there are about 50 hearings officers presiding over adjudicatory proceedings in Hawaii, who are also employed by State agencies. The fact that the hearings officer is oftentimes presiding over a dispute in which his or her employer is a party has raised serious concerns about the potential conflict of interest and the appearance of bias.

In reaction to these concerns, the Office of the Legislative Auditor conducted a study on administrative adjudication and recommended a pilot test involving a central panel of hearings officers.

Your Committee finds that the creation of a task force is necessary to examine the feasibility of developing and implementing a central panel and other means of addressing the concern for fair and impartial administrative hearings.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 331 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1455 (Joint) Agriculture and Environmental Protection and Transportation and Intergovernmental Relations on S.R. No. 71

The purpose of this Resolution is to request the Department of Transportation to conduct a study on reducing the effects of bus exhaust, including the feasibility of:

- (1) Rerouting buses and reducing the number of stops made by buses; and
- (2) Utilizing alternative fuels such as gasohol, ethanol, or methanol.

Based on the testimony received, your Committees find that the scope of the study should be limited to the feasibility of rerouting buses and reducing the number of stops, and that it would be more appropriate for the Oahu Metropolitan Planning Organization, in cooperation with the City and County of Honolulu, to conduct the study. Your Committees have amended the measure accordingly.

Your Committees on Agriculture and Environmental Protection and Transportation and Intergovernmental Relations concur with the intent and purpose of S.R. No. 71, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 71, S.D. 1.

Signed by all members of the Committees except Senators Blair and Yamasaki.

SCRep. 1456 Education on S.R. No. 105

The purpose of this Resolution is to request the University of Hawaii to conduct an evaluation and assessment of the feasibility of establishing a permanent campus for West Oahu College at a site in the Second City area.

In March 1989, the Board of Regents unanimously voted to affirm its commitment to expanding West Oahu College into a four-year liberal arts campus. Subsequently, the Board adopted a Master Plan for the University of Hawaii earlier this year which enunciated strategies calling for the Board to expedite the selection of a site for West Oahu College.

Your Committee finds that the development of the Second City, known as the City of Kapolei, serves as the focus of future development on Oahu by providing employment and housing opportunities for the people of our State, as well as relief from traffic congestion in downtown Honolulu. The establishment of a permanent campus for the West Oahu College in the Second City area would be a major catalyst for development of the City of Kapolei, and provide for the growing higher education needs of the West Oahu area.

Your Committee on Education concurs with the intent and purpose of S.R. No. 105 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1457 Science, Technology and Economic Development on H.C.R. No. 236

The purpose of this Concurrent Resolution is to support two major wind energy projects being developed in Napili, West Maui, and Molokai. Wind energy technology represents an opportunity to develop a clean, renewable energy source for Hawaii and reduce its dependence on imported oil.

Your Committee on Science, Technology & Economic Development is in accord with the intent and purpose of H.C.R. No. 236, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1458 Tourism and Recreation on H.C.R. No. 283

The purpose of this concurrent resolution is to encourage the Waikiki Convention Center Authority to attempt to reduce the density of the facility in the WICP proposal as much as possible.

Your Committee finds that the density of the present proposal is too massive so as to be incompatible with the surrounding locale. The Waikiki community has very grave concerns over the monstrous proportions of the proposed facility.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 283 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1459 Transportation and Intergovernmental Relations on H.C.R. No. 332

The purpose of this Concurrent Resolution is to state the legislature's opposition to the federal mandate requiring states to revoke the driver's licenses of all drug offenders, even when there is no nexus between the drug offense and the use of a motor vehicle, or lose a portion of their federal highway funds.

Your Committee finds that the State of Hawaii already revokes the driver's license of any driver convicted of a felony in which a motor vehicle is used when a nexus between the crime and the revocation is clearly established. By threatening withdrawal of federal highway funding unless certain federal policies are adopted, the federal government impedes upon the State's right to manage its own affairs.

The federal mandate requiring revocation of the driver's licenses of drug offenders, however, contains a nullification clause providing that a state will not lose federal funds if both its governor and legislature certify their opposition in writing. This resolution serves as the legislature's certification of opposition to the mandate.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of H.C.R. No. 332 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1460 Transportation and Intergovernmental Relations on H.C.R. No. 335

The purpose of this Concurrent Resolution is to request the Department of Transportation to report on the status and maintenance of the Honolulu Gateway Beautification Project, and to work with the Outdoor Circle in encouraging businesses along the Gateway corridor to participate in furthering the goals of the project.

Your Committee finds that the Nimitz Highway corridor between the airport and Waikiki makes a lasting impression on many island visitors because travel along the corridor is often the source of a visitor's first impression of Hawaii. The beautification and maintenance of this corridor would serve to impress upon newly arrived visitors the beauty of this State. For this reason, your Committee has taken a keen interest in the progress of the Honolulu Gateway Beautification Project.

Your Committee has amended this Concurrent Resolution to request the Department of Health to investigate and report on reported soil contamination along the corridor. This contamination, which appears to inhibit the growth of plants, was brought to the attention of your Committee by the Department of Transportation. Your Committee has also made technical, nonsubstantive amendments to the Concurrent Resolution for the purposes of style and clarity.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of H.C.R. 335, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 335, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1461 Agriculture and Environmental Protection on H.B. No. 790

The purpose of this bill is to: (1) clarify the grade labeling requirements for fresh fruits, vegetables, nuts and coffee; (2) repeal the legal authority for the Advisory Committee on Markets; and (3) repeal mandatory retail grade labeling requirements.

Your Committee received testimony in support of this measure from the Department of Agriculture stating that the existing language concerning grade labeling requirements is confusing; that the Advisory Committee on Markets is not longer needed; and that mandatory labeling of fresh fruits and vegetables does not afford the consumer a significant benefit.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 790 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1462 Agriculture and Environmental Relations on H.B. No. 791

The purpose of this bill is to repeal the requirement for the Department of Agriculture to conduct annual complaint hearings on Oahu, Maui, Hawaii, Kauai, and Molokai. The bill also removes gender specific references to the chairperson.

Under new policy, the Department holds public informational briefings on the neighbor islands at least once a year. This informal format seems to be preferred by those attending these meetings.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 791, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1463 Agriculture and Environmental Protection on H.B. No. 932

The purpose of this bill is to bring the State into compliance with requirements of the federal Surface Water Treatment Rule which requires that all water systems be operated by qualified personnel.

Hawaii is one of only three states which do not have such a certification program even though a certification program for wastewater operators has been in effect since 1978. Establishing certification for water treatment plant operators will provide a means for strengthening the protection of drinking water quality.

Your Committee on Agriculture and Environmental Protection is in accord with the intent and purpose of H.B. No. 932, H.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1464 Transportation and Intergovernmental Relations on H.C.R. No. 138

The purpose of this Concurrent Resolution is to acknowledge the year 1993 as the "International Year for the World's Indigenous People," and to encourage the participation of the Office of Hawaiian Affairs, the Council for the Year 1993 and Beyond, and Hawaii's civic organizations and its own indigenous people in planning for and observing the year.

Your Committee finds that the United Nations General Assembly has declared the year 1993 as the "International Year for the World's Indigenous People". Your Committee further finds that it would be especially appropriate for the State of Hawaii, with its multifarious ethnic population, to participate in the observance of a year acknowledging the importance of all the world's indigenous people.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of H.C.R. No. 138 and recommends its adoption.

Signed by all members of the Committee except Senator Blair.

SCRep. 1465 Ways and Means on H.B. No. 148

The purpose of this bill is to change the time in which the six-year program and financial plan, the budget, the supplemental budget, and the variance report must be submitted to the legislature to thirty days before the convening of the appropriate session. At present, they are submitted twenty days before the convening of the appropriate session. The bill also makes housekeeping amendments.

Your Committee finds that having additional time to review these documents will improve the legislature's comprehension and control over this vital information.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 148 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1466 Ways and Means on H.B. No. 214

The purpose of this bill is to remove the requirement that statewide tourism promotion proposals be submitted to the tourism marketing council prior to the disbursement of any tourism promotion funds.

This bill will streamline the operations of the office of tourism and facilitate its marketing and promotional efforts.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 214 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1467 Ways and Means on H.B. No. 610

The purpose of this bill is to exempt from civil service requirements the positions of the deputy administrative director of the courts and such assistants to the administrative director of the courts as the administrative director finds necessary.

Your Committee finds that these exemptions are consistent with those granted to deputy directors in the executive branch, and that this bill will permit the chief justice the same type of discretion in appointments that is presently afforded to the governor.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 610, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1468 Ways and Means on H.B. No. 611

The purpose of this bill is to make permanent the State's center for alternative dispute resolution.

Your Committee finds that the center for alternative dispute resolution has an admirable track record of resolving public interest cases and cases referred by government agencies, through mediation, arbitration, and fact-finding, and assisting the judiciary in developing alternatives to litigation.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 611, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1469 Ways and Means on H.B. No. 640

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000 to assist the Island Power Company in the construction and operation of the Lower Wailua Hydroelectric Project and related facilities on the Wailua River in Kauai.

Your Committee finds that the issuance of the special purpose revenue bonds will result in the establishment of a hydroelectric power plant that will help reduce Hawaii's dependence on imported oil.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 640, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1470 Ways and Means on H.B. No. 675

The purpose of this bill is to amend the general excise tax law by expanding the definition of "tourism related services".

Presently, some tourism related services are furnished through arrangements made by a travel agency or tour packager. The gross income earned in these arrangements is divided between the provider of the services and the travel agency or tour packager. For general excise tax purposes, the service provider and travel agency or tour packager pay a tax in proportion to the income earned.

By broadening the definition of "tourism related services" this bill allows more types of services to qualify under the tax payment arrangement provided under section 237-18, Hawaii Revised Statutes.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 675, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1471 Ways and Means on H.B. No. 776

The purpose of this bill is to:

- (1) Permit trade and other exhibitors to apply to the liquor commission administrator for permits to receive liquor from within or outside the State for sale at a discount at trade exhibitions, shows, and other exhibitions, subject to terms and conditions set by the commission; and

- (2) Appropriate \$10,000 to the department of business, economic development, and tourism for fiscal year 1991-1992, for the planning of an international wine conference, subject to the availability of matching funds from private contributions.

Your Committee finds that maintaining and expanding the visitor industry is critical to the economy of the State, and that sponsoring an international wine conference would create an additional visitor attraction in the islands.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 776, H.D. 3, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1472 Ways and Means on H.B. No. 799

The purpose of this bill is to make the interest payments on the refund of income taxes by the State and on the underpayment or nonpayment by the taxpayer more equitable.

At present, when a taxpayer is due a refund, the State will pay interest on that amount starting the month after the due date of the return and continuing until the director of taxation approves the refund voucher. This is imprecise as it deprives taxpayers of interest from the due date to the beginning of the following month, and rewards taxpayers who file their returns late, as happens when an extension is requested, since interest accrues from the due date of the return, and not on the date that the return is actually received by the State. This provision currently results in an undeserved benefit for these taxpayers who are awarded interest before their refund is even filed.

This bill amends these provisions by awarding interest from the due date of the return, or if the return is filed at a later date, from that later date. The same amendment is made to provisions regarding the payment of interest when the director exceeds the time to approve and send out the refund warrant or the comptroller exceeds the time to send out the refund warrant, to refunds made pursuant to an amended return, and for tax credits.

An additional issue addressed by this bill is that of interest paid by the taxpayer for underpayment or nonpayment of an income tax return. At present, interest charged to taxpayers for underpayment or nonpayment of tax returns does not start to accrue until the month following the date prescribed for payment. The bill amends that provision by providing that the interest begins on the date prescribed for payment.

Your Committee finds that these amendments will eliminate the interest windfall for taxpayers filing for a refund after the prescribed date for filing, and will also eliminate the undeserved grace period for those who underpay or fail to pay their income tax, thus making the tax scheme more fair for all taxpayers.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 799 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1473 Ways and Means on H.B. No. 805

The purpose of this bill is to amend the fuel tax law by:

- (1) Amending the definition of "person" to include trusts, estates, and partnerships;
- (2) Providing that statements filed under chapter 243, Hawaii Revised Statutes, containing information on the number of gallons of fuel refined, manufactured, compounded, imported, sold, or used by a distributor or person be public records;
- (3) Providing that the statute of limitations period for the monthly fuel tax returns filed under chapter 243, Hawaii Revised Statutes be three years from the prescribed filing date or the date the return is filed, whichever is later;
- (4) Allowing, in the case of false or fraudulent fuel tax returns or statements, or the failure to file tax returns, the fuel tax to be assessed at any time; and
- (5) Allowing the extension of time for the assessment, levy, collection, or credit of the fuel tax when a written agreement is entered into by the taxpayer and the department of taxation before the expiration of the statute of limitations.

Your Committee finds that this bill provides for the enforcement of the fuel tax law in a more efficient and effective manner that is consistent with other tax laws.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 805, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1474 Ways and Means on H.B. No. 808

The purpose of this bill is to require each county or city council to notify the department of taxation of any county fuel tax changes within ten days after the adoption of a resolution to change the tax. In addition, the bill changes the effective

date for resolutions relating to fuel tax changes to the first day of the second month following the adoption of the resolution.

Your Committee finds that these amendments will give the department of taxation more time to notify the public of county fuel tax changes and to revise applicable tax forms.

Your Committee notes that it has already heard and recommended passage of this measure through the companion bill, S.B. No. 1226.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1475 Ways and Means on H.B. No. 890

The purpose of this bill is to amend Act 337, Session Laws of Hawaii 1990, to provide that the remaining balance of the appropriation for the year of the family celebration for fiscal year 1990-1991 be deposited into the year of the family celebration trust fund.

Act 337 designated the year 1992 as the year of the family, established a temporary year of the family celebration commission, established the year of the family celebration trust fund, and provided for the celebration of the year of the family.

Your Committee finds the amendment is necessary to enable the year of the family celebration commission to carry out the provisions of Act 337.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 890 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1476 Ways and Means on H.B. No. 897

The purpose of this bill is to establish a Hawaii film facility special fund into which will be deposited fees from tenants or other users of the State's film facility at Diamond Head.

Your Committee agrees with the Committee on Science, Technology and Economic Development that a well-maintained and operated film facility is essential for retaining and attracting television and film productions to the State. This bill will facilitate this objective.

Your Committee notes that it has already approved this measure in Senate Standing Committee Report No. 807 which recommended passage of S.B. No. 1388, the companion bill to this measure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 897 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1477 Ways and Means on H.B. No. 899

The purpose of this bill is to clarify the purpose, duties, and powers of the high technology development corporation. In addition, the bill increases the aggregate limit of loans that can be borrowed from the State to expedite the growth of high technology industry in Hawaii from \$500,000 to \$1,000,000.

Your Committee finds that the high technology development corporation lacks a specific statement of purpose to facilitate the growth and development of the commercial high technology industry in Hawaii. This bill broadens the scope of the corporation's responsibilities as they relate to high technology development.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 899, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1478 Ways and Means on H.B. No. 981

The purpose of this bill is to authorize the University of Hawaii to establish a University of Hawaii alumni revolving fund.

The University of Hawaii Alumni Association has recently initiated several events and activities to expand its programs, many of which involve the purchase and sale of goods and services. The revolving fund proposed in this measure will facilitate the operations of the programs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 981 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1479 Ways and Means on H.B. No. 1003

The purpose of this bill is to correct statutory references to the insurance code contained in the workers' compensation law.

This bill is a housekeeping measure which corrects statutory references made obsolete by the recodification of the insurance code, effective July 1, 1988. This bill does not make any substantive change to the workers' compensation law.

Your Committee notes that it has already approved this measure in Senate Standing Committee Report No. 616 which recommended passage of S.B. No. 1320, the companion bill to this measure.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1003 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1480 Ways and Means on H.B. No. 1022

The purpose of this bill is to increase the amount of special facility revenue bonds that the department of transportation is authorized to issue for the purpose of constructing, acquiring, or improving special facilities from \$50,000,000 to \$100,000,000.

Your Committee finds that the additional bond funds authorized under this bill will allow the department to assist Hawaii's interisland carriers to construct cargo and hanger facilities necessary to meet future needs.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1022 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1481 Ways and Means on H.B. No. 982

The purpose of this bill is to clarify two elements relating to contract assignments and certification that were omitted from the administrative flexibility granted to the University of Hawaii and the department of education under Act 321, Session Laws of Hawaii 1986, as amended.

Your Committee finds that Act 321, Session Laws of Hawaii 1986, as amended, allows the University of Hawaii and the department of education to assume responsibility over all matters relating to the acquisition of goods and services, and pre-auditing all related payments. Currently, however, only the comptroller is authorized to certify to the availability of funds and to approve requests for assignment. Because the University of Hawaii and the department of education were delegated the responsibility to carry out their own purchasing and disbursement functions, the law should also allow these agencies to carry out their own assignment and certification responsibilities.

Your Committee notes that testimony in support of this bill was presented during a public hearing held on S.B. No. 1314, S.D. 1, the companion measure to this bill.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 982, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1482 Ways and Means on H.B. No. 1041

The purpose of this bill is to provide that the investment yield rate for the state employees' retirement system's actuarial valuations shall be eight per cent for fiscal years 1990-1991 and 1991-1992.

The investment yield rate is set by law, and the current investment yield rate of eight per cent expired on June 30, 1990. Therefore, this measure is necessary to continue the investment yield rate at the same level.

Your Committee notes that it has already heard testimony and recommended passage of this measure through the companion bill, S.B. No. 1073, S.D. 1.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1041, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1483 Ways and Means on H.B. No. 1049

The purpose of this bill is to authorize the housing finance and development corporation to issue revenue bonds in an amount not to exceed \$1,275,000,000, for the purpose of undertaking or maintaining any of its housing loan programs.

Your Committee received testimony in support of the intent and purpose of this bill during a public hearing held on S.B. No. 1246, the senate companion bill to this measure.

Your Committee finds that the funds authorized under this bill are necessary to meet the housing demands of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1049 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1484 Ways and Means on H.B. No. 1055

The purpose of this bill is to authorize the housing finance and development corporation to issue revenue bonds in an amount not to exceed \$375,000,000 for the purpose of financing and refinancing any rental housing project developed or acquired under the housing finance and development corporation law.

Your Committee received testimony in support of the intent and purpose of this bill during a public hearing held on S.B. No. 1252, the senate companion measure identical to this bill. Your Committee finds that the funds authorized under this bill are necessary to meet the housing needs of the State.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1055 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1485 Ways and Means on H.B. No. 1117

The purpose of this bill is to grant a franchise for electric service to Maui Electric Company, Limited (MECO).

Your Committee notes that MECO has four different franchises covering various districts of the island which are "grandfathered" under section 269-7.5, Hawaii Revised Statutes. Although the proposed franchise is not required for MECO to continue to provide electric utility service, it will clarify MECO's service territory, eliminate confusion or conflict between the terms and conditions of its existing franchises for the various districts of the island, and simplify administration of the franchises held by MECO.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1117, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1486 Ways and Means on H.B. No. 1254

The purpose of this bill is to transfer the responsibility for an international tourism consulting center and clearinghouse from the department of business, economic development, and tourism to the governor's office of international relations.

The bill also appropriates moneys to fund operations of the international tourism consulting center and clearinghouse.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1254, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1487 Ways and Means on H.B. No. 1958

The purpose of this bill is to authorize the department of human services to expend the funds under Act 307, Session Laws of Hawaii 1990, to establish a grant program for the homeless.

Your Committee finds that to fully address the problem of homelessness in the State, the department of human services should be authorized to provide grants as well as loans to Hawaii's homeless citizens. While a loan program may address the needs of those homeless citizens who receive an income, homeless individuals without an income may find it difficult to repay the loan. Your Committee finds that a grant assistance program may provide the only means of assisting those individuals.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1958 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1488 Ways and Means on H.B. No. 992

The purpose of this bill is to:

- (1) Extend the personal care services program of the department of human services an additional four years to 1995; and
- (2) Adjust the expenditure ceiling on the personal care services program, limiting total expenditures to not more than the amount authorized by the federal Health Care Financing Administration.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 992, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1489 Culture, Arts and Historic Preservation on H.C.R. No. 60

The purpose of this Concurrent Resolution is to declare the Legislature's support of the Asian/Pacific Foundation of Hawaii for sponsoring the Picture Bride Film Project produced by the Thousand Cranes Filmworks.

Your Committee finds that the film "Picture Bride" portrays the lives of plantation immigrants in Hawaii at the turn of the century. The film will be on location in Hawaii using the talents of Hawaii residents for many aspects of the film. These factors clearly merit the Legislature's support of the project.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 60 and recommends its adoption.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1490 Culture, Arts and Historic Preservation on H.C.R. No. 221

The purpose of this Concurrent Resolution is to encourage the use of computerization to preserve photographic collections at the University of Hawaii, the State Archives and the Bishop Museum.

Your Committee finds that through systematic computerization, these photographic collections will be preserved and research efficiency will be greatly increased.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 221 and recommends its adoption.

Signed by all members of the Committee except Senator Cobb.

SCRep. 1491 Culture, Arts and Historic Preservation on H.C.R. No. 324

The purpose of this Concurrent Resolution is to request the Department of Accounting and General Services to submit a report on the feasibility of developing painted timelines exhibits of Hawaii's historic eras in the State Capitol stairwells.

Your Committee finds that although serious issues concerning this project have been raised, there is a need to conduct a more detailed feasibility study to determine the desirability of including Fresco timelines in the total Capitol renovation plan.

Your Committee on Culture, Arts and Historic Preservation concurs with the intent and purpose of H.C.R. No. 324, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1492 Housing and Hawaiian Programs on H.C.R. No. 145

The purpose of this Concurrent Resolution is to express support for "non-adversarial" resolution of all actions to quiet title involving Native Hawaiian land claims.

Your Committee finds that most native Hawaiian land titles are held by undivided interests and the title holders are without economic means to defend their aboriginal claims through extended litigation.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 145, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 1493 Housing and Hawaiian Programs on H.C.R. No. 357

The purpose of this Concurrent Resolution is to commend the Hawaii Community Reinvestment Corporation for its efforts in addressing the problems of providing affordable housing to the residents of the State.

Your Committee finds that the critical shortage of affordable housing can be alleviated by innovative programs and development projects and that the formation of the Hawaii Community Reinvestment Corporation is a significant step toward this objective.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 357, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 1494 Housing and Hawaiian Programs on H.C.R. No. 52

The purpose of this Concurrent Resolution is to request the Department of Agriculture to examine the possibility of designating lands adjacent to the Keahole agricultural part for rental units for laborers employed at the park.

Your Committee finds that many of the workers employed at the Keahole Agriculture Park earn wages at the minimum scale and are unable to secure affordable housing.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 52, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 1495 Housing and Hawaiian Programs on H.C.R. No. 327

The purpose of this Concurrent Resolution is to request the Legislative Auditor to conduct a study on resales of units converted from leasehold to fee under the Hawaii Land Reform Act.

Your Committee finds that the data obtained from this study will aid in assessing the impact of lease to fee conversion on housing and the general welfare of all people of the State.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 327, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senator Nakasato.

SCRep. 1496 Transportation and Intergovernmental Relations on H.C.R. No. 137

The purpose of this Concurrent Resolution is to request the Medical Advisory Board of the Department of Transportation to study the feasibility of implementing a seizure free period of less than one year prior to the issuance of driver's licenses to epileptics.

Hawaii presently does not have statutory guidelines on the subject. The Medical Advisory Board, which approves license applications of persons in Hawaii afflicted with epilepsy, utilizes guidelines published by the National Highway Traffic Safety Administration of the Federal Department of Transportation, which currently require a one-year seizure free period. Your Committee finds that a shorter period may be appropriate.

Your Committee has amended this Concurrent Resolution by requesting the Medical Advisory Board to include in its study an analysis of factors other than age that might impair the safe driving of Hawaii's senior citizens, a task which your Committee finds to be within the Board's capability and consistent with its mission. Your Committee finds that the requirement that drivers over the age of sixty-five be tested every two years may be unfair and discriminatory if not justified by objective data. The title of this Concurrent Resolution has been amended to reflect this additional request.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of H.C.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 137, S.D. 1.

Signed by all members of the Committee except Senator Blair.

SCRep. 1497 Transportation and Intergovernmental Relations on H.C.R. No. 130

The purpose of this Concurrent Resolution is to request the Department of Transportation to assess the feasibility of allowing motorists to use emergency shoulder lane space on portions of the H-1 Freeway and Moanalua Road during peak traffic hours.

The Department is also requested to investigate other heavily congested areas that may be suitable for the same peak hour use.

Your Committee has amended this Concurrent Resolution by deleting the substance, including its title, and inserting a request for Congress to enact legislation requiring the FAA to amend its regulations and require helicopters engaged in sightseeing flights over the State to fly at altitudes prescribed for fixed wing aircraft.

Your Committee finds that the Department is conscientious about seeking ways to reduce congestion on Oahu's main traffic corridors and is confident that it will carry out the original intent of this Concurrent Resolution; however, the problem of improper helicopter use throughout the State is historically not so easily resolved and requires strong action at the federal level. This Concurrent Resolution, as amended, is reflective of legislative policy and articulates public resentment of excessive noise and potential health hazards and property damage caused by low flying and off-course helicopters.

Your Committee on Transportation and Intergovernmental Relations concurs with the intent and purpose of H.C.R. No. 130, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 130, S.D. 1.

Signed by all members of the Committee except Senators Cobb and Nakasato.

SCRep. 1498 Employment and Public Institutions on H.C.R. No. 142

The purpose of this Concurrent Resolution is to urge all state and county agencies to use gender-neutral terms in their publications and communications, both internal and for the public, and that compliance be monitored by appropriate equal opportunity/affirmative action officers.

Your Committee finds that since government has the power to name and define words that create and control realities, it is appropriate that the written language it uses and generates be reflective of contemporary equalization of the sexes.

Your Committee on Employment and Public Institutions concurs with the intent and purpose of H.C.R. No. 142, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1499 Education on H.C.R. No. 20

The purpose of this Concurrent Resolution is to request that the Department of Education and the Waikoloa Land Company enter into an agreement that defines the scope, timetable, and cost of a real estate transaction that will enable the Waikoloa Land Company to donate land for a new elementary school in Waikoloa on the island of Hawaii.

Your Committee finds that an elementary school in Waikoloa will ensure that all students in the area will have an easily accessible neighborhood school, and that the transaction will provide flexibility in the appropriation of CIP funds for the proposed new school.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 20 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1500 Education on H.C.R. No. 61

The purpose of this Concurrent Resolution is to request the University of Hawaii at Hilo and the Hawaii Community College to make their registration processes more efficient for students, and to increase the number and availability of course catalogues and schedules.

Your Committee believes that efforts should be undertaken to ensure that every student who wishes to pursue a higher education is afforded a reasonable opportunity to do so. This Concurrent Resolution will assure students at UH-Hilo and Hawaii Community College that steps are being taken to make their college career a gratifying experience.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 61 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1501 Education on H.C.R. No. 84

The purpose of this Concurrent Resolution is to request the University of Hawaii to improve the system for transferring academic credits between the community colleges and the School of Travel Industry Management at the University.

Your Committee finds that this measure will help increase the educational and career opportunities available to the people of Hawaii, and will also reduce the local travel industry's need to hire personnel from outside of the State.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 84, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1502 Education on H.C.R. No. 93

The purpose of this Concurrent Resolution is to request that the University of Hawaii-Hilo baseball field be named after George and Marion Hall.

George and Marion Hall have made significant contributions to the University of Hawaii-Hilo, as well as to the Hilo community. George Hall was the first athletic director of the Hilo campus and carried out his duties on a volunteer basis. He and his wife contributed time and money for athletic scholarships and were charter members of the "Vulcan" Booster Club.

Your Committee finds that naming the University of Hawaii-Hilo baseball field after George and Marion Hall is a fitting and long-standing tribute to two very deserving people.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 93 and recommends its adoption.

Signed by all members of the Committee except Senators Holt and Kobayashi, B.

SCRep. 1503 Education on H.C.R. No. 98

The purpose of this Concurrent Resolution is to request the University of Hawaii College of Tropical Agriculture and Human Resources to conduct a Cooperative Extension Service resource needs assessment of Lana'i to assist in the transition to diversified agricultural industries and an open community.

The island of Lana'i is experiencing a drastic economic and social transformation due to the impending cessation of its pineapple operations in 1993. Lana'i, which has been economically dependent on its pineapple plantations since 1920, will be turning from a purely agricultural economy to a visitor and diversified agriculture-based economy.

Your Committee finds that a number of training opportunities need to be developed in order to minimize the displacement of workers and to ensure a smooth transition for these workers from employment in pineapple plantations to employment in resorts and diversified agriculture.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 98 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1504 Education on H.C.R. No. 99

The purpose of this Concurrent Resolution is to request the University of Hawaii College of Tropical Agriculture and Human Resources to conduct an assessment of the faculty, staff, current expenses, land, facilities, and equipment required to meet the research and technology transfer needs of Moloka'i's expanding diversified agriculture industry.

Your Committee finds that Moloka'i has tremendous potential for agricultural growth. The College of Tropical Agriculture and Human Resources can further enhance this growth process by providing more support of the agriculture community, and by developing technologies and transforming research information to benefit the farmers on Moloka'i.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 99 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1505 Education on H.C.R. No. 120

The purpose of this Concurrent Resolution is to request the Department of Accounting and General Services and the State Foundation on Culture and the Arts to work with the Department of Education in developing a plan for the prominent display of art work by Hawaii's high school students in the lobby of the State Office Tower.

Currently, student art is displayed in many buildings and locations throughout the State, including the State Capitol. Given the impending relocation of the Legislature, executive offices, and other State departments from the State Capitol to the State Office Tower, your Committee finds that the new building would be an ideal location for Hawaii's young people to display their talent.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 120 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Senator Holt.

SCRep. 1506 Education on H.C.R. No. 143

The purpose of this Concurrent Resolution is to request the University of Hawaii to report on the delivery of programs and services to nontraditional students at the University.

Your Committee finds that during the past ten years, there has been an increasing number of adults seeking a college education, and recognizes the special needs and obstacles facing these nontraditional students. For many of these students, the decision to return to school after an absence is often a difficult one. Your Committee believes that the needs of these nontraditional students should be evaluated and addressed in order to encourage more adults to attend the University.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 143 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1507 Education on H.C.R. No. 144

The purpose of this Concurrent Resolution is to request the Department of Education to conduct a study on the status of its athletic program and develop a plan to encourage and broaden student participation.

In addition, this measure emphasizes that the purpose of athletics is to participate in team activities and to learn physical skills and the values of good sportsmanship and fair play.

Currently, less than one-third of the high school student population participates in the Department's athletic program. Your Committee finds that sports is an excellent tool for reinforcing social values learned in the classroom, and provides basic skills that are crucial to success in school and the future.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 144, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senators Holt and Kobayashi, B.

SCRep. 1508 Education on H.C.R. No. 217

The purpose of this Concurrent Resolution is to urge the Curriculum Research and Development Group at the University of Hawaii College of Education to determine the feasibility of developing curriculum materials on Asia and the Pacific, and in addition, to determine how such materials can be developed expeditiously for use in Hawaii's secondary schools.

Your Committee finds that because of Hawaii's unique geographic location and its deep and abiding ties with the people and nations of Asia and the Pacific Rim, it is imperative that our students develop a comprehensive understanding and knowledge of the area and its issues.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 217 and recommends its adoption.

Signed by all members of the Committee except Senator Holt.

SCRep. 1509 Housing and Hawaiian Programs on H.C.R. No. 103

The purpose of this bill is to request the Hawaii Housing Authority to investigate the feasibility of allowing public housing residents to provide home-based child care in their dwelling units.

Your Committee finds that Hawaii's child care system is unable to meet the needs of many parents for affordable and reliable care, and residents of public housing are an excellent untapped resource potential for home-based child care services.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 103 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1510 Housing and Hawaiian Programs on H.C.R. No. 329

The purpose of this Concurrent Resolution is to request a study of a housing downpayment bond program.

Your Committee finds that the residents of Hawaii are experiencing housing shortages and attendant social problems, resulting in, among other things, moderate and market income groups being unable to meet their housing needs.

Your Committee finds that these families make up a group earning too much to qualify for an affordable home and too little to obtain financing for market value homes. To help, some states have implemented strategies to help these groups by providing downpayment assistance and other creative financing strategies.

Your Committee further finds that the study requested by this Concurrent Resolution is consistent with the State's policy of making every effort to help this group achieve the dream of owning a house.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 329, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1511 Housing and Hawaiian Programs on H.C.R. No. 347

The purpose of this Concurrent Resolution is to request the Hawaii Housing Authority to reevaluate its rent supplement program and its Section 8 requirements.

Your Committee finds that there needs to be maximum service for those in need of rental assistance, and there are many areas that have been identified as needing reevaluation, including administrative rules and rent supplement program certificates.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 347 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1512 (Joint) Agriculture and Environmental Protection and Transportation and Intergovernmental Relations on H.C.R. No. 254

The purpose of this Concurrent Resolution is to request the Department of Transportation, in consultation with the Department of Health, Department of Agriculture, the University of Hawaii College of Tropical Agriculture and the University of Hawaii Environmental Tropical Agriculture and the University of Hawaii Environmental Center to review policies and procedure on roadside spraying and examine specific concerns.

Upon consideration, your Committees have amended this measure by requesting the Director of Health to appoint a task force to assess the effects of roadside spraying and adding to the specific concerns the identification of the specific locations where herbicides are sprayed; a description of each herbicide used at each location, including type, quantity, and cost; and the rationale for the use of each.

Your Committees on Agriculture and Environmental Protection and Transportation and Intergovernmental Relations concur with the intent and purpose of H.C.R. No. 254, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 254, H.D. 1, S.D. 1.

Signed by all members of the Committees except Senator Aki.

SCRep. 1513 Agriculture and Environmental Protection on H.C.R. No. 281

The purpose of this Concurrent Resolution is to request the Governor's Agriculture Coordinating Committee to investigate options to expand the market share for Hawaiian grown macadamia nuts and nut products, including the establishment of a Federal Market Order and development of other ways to assist the industry.

Upon consideration, your Committee has substantially amended this Concurrent Resolution by stressing the goal of how to better market Hawaii's macadamia nuts rather than focusing on the relationship between Hawaii's product and foreign imports. Specifically, the amended version requests the Department of Agriculture in cooperation with the Hawaii State Farm Bureau and the Macadamia Nut Association to study the feasibility of obtaining a Federal Market Order.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 281, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 281, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1514 Tourism and Recreation on H.C.R. No. 21

The purpose of this Concurrent Resolution is to express legislative support for the efforts of World Cup Honolulu 1994 in promoting Hawaii as a possible site for the 1994 World Cup soccer games.

Your Committee finds that international sporting events would attract visitors to Hawaii and would diversify Hawaii's visitor industry, making Hawaii less vulnerable to changing conditions in its visitor markets. For example, cities hosting the World Cup have benefitted greatly from the large influx of sporting fans. Your Committee further finds that holding World Cup soccer matches in Hawaii would provide much direct economic benefit and would enhance Hawaii's stature as the sports center of the Pacific.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 21 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1515 Tourism and Recreation on H.C.R. No. 83

The purpose of this concurrent resolution is to request Hawaii's congressional delegation take action to allow the United States Customs Service and Immigration and Naturalization Service to hire additional personnel, should a state be willing to pay for the additional personnel for a specified duration.

Your Committee finds that despite the recent addition of 35 immigration inspectors, foreign arrivals to Honolulu International Airport frequently have to wait in line for customs and immigration clearance for hours. This may give visitors to Hawaii an unfavorable first impression and put Hawaii at a disadvantage in relation to other visitor destinations. The policy proposed by this resolution will not only provide for current needs, but for future increases in international visitor traffic to Honolulu or the neighbor islands.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 83 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1516 Tourism and Recreation on H.C.R. No. 260

The purpose of this Concurrent Resolution is to request the Legislative Auditor to study the possibility of requiring the certification of tour guides.

Your Committee finds that the quality of a visitor's experience in Hawaii is of great importance if tourism is to maintain its importance to Hawaii's economy. A contributing factor to a visitor's positive experience is the quality of interpretations given by tour guides.

Your Committee also finds that certification of tour guides will assure accuracy and consistency in presentations and establish a level of professionalism in the field.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 260 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1517 Tourism and Recreation on H.C.R. No. 263

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to be the lead agency in sponsoring an international trails and access conference in Hawaii.

Your Committee finds that such a conference will help to identify the latest developments in the rapidly growing outdoor recreation field, which will provide momentum in the further development and enhancement of Hawaii's trail system.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 263 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1518 Tourism and Recreation on H.C.R. No. 333

The purpose of this Concurrent Resolution is to request a study to identify ocean sites in the state that can be developed into underwater parks.

Your Committee finds that Hanauma Bay in East Honolulu and Kealakekua Bay in Kona on the Big Island are the only two underwater parks in the State.

Your Committee also finds that due to Hanauma Bay's proximity to a large population base, it suffers from over-use which has led to the deterioration of the ocean resources. The eventual development of additional underwater parks could help to divert some of the visitors interested in visiting Hanauma Bay by providing an alternative ocean experiences.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 333, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1519 Education on H.C.R. No. 193

The purpose of this Concurrent Resolution is to request the University of Hawaii to study the feasibility of honoring the Varsity Victory Volunteers with a commemorative marker on the University of Hawaii campus.

Following the bombing of Pearl Harbor on December 7, 1941, Americans of Japanese Ancestry (AJAs) were excluded from the draft and dismissed from the Hawaii Territorial Guard due to suspicion based on their ethnic background.

However, many AJAs displayed their patriotic spirit by forming the Varsity Victory Volunteers (VVV) group to volunteer their services to the military in non-sensitive roles. Through their hard work and dedication, they contributed to the relaxation of the AJA exclusionary regulation. The acceptance of the AJA into the armed forces was the start of the infamous 442nd Regimental Combat Team in 1943.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 193 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1520 Education on H.C.R. No. 204

The purpose of this Concurrent Resolution is to urge the University of Hawaii to ensure that students in the College of Health Sciences and Social Welfare and in the Allied Health Sciences Programs are educated on the issue of occupational exposure to the Human Immunodeficiency Virus (HIV) and Hepatitis B Virus (HBV), including prevention and education.

The issue of occupational exposure is evolving very rapidly, and the fears surrounding this issue undoubtedly play a role in discouraging young people from entering the health care field. Your Committee finds that it is extremely important for students to be educated on recommended prevention techniques as well as newly emerging post-exposure treatments such as AZT.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 204 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1521 Education on H.C.R. No. 215

The purpose of this Concurrent Resolution is to request that the Department of Education convene a broad-based Committee on Vocational Education to review the Department's current Vocational Education Program.

The Committee will consist of members from the Department of Education, the business community-at-large, the University of Hawaii and its community colleges, and the Department of Labor and Industrial Relations.

Efforts are currently underway to improve and expand vocational education and employment opportunities for students, and significant work is being done to modernize program delivery, upgrade teacher competencies, and increase business and industry partnerships. However, your Committee believes that a review of the Department of Education's Vocational Education Program will ensure consistency between the State's program and requirements of the Carl Perkins Vocational and Applied Technology Act, P.L. 101-392.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 215 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1522 Education on H.C.R. No. 216

The purpose of this Concurrent Resolution is to request the Department of Education to develop a multi-year funding plan that includes issues such as the status of instructional equipment in the schools, projected instructional equipment needs, a projected timetable for equipment acquisition, and a cost analysis for implementation of the multi-year funding plan.

Your Committee finds that in addition to the Department of Education's instruction equipment needs in its science, music, computer education, and vocational education programs, the need to replace obsolete or overused equipment exacerbate progress in resolving this long-standing problem.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1523 Education on H.C.R. No. 222

The purpose of this Concurrent Resolution is to request that the federal government support national telecommunications and computing network initiatives for Hawaii.

Your Committee finds that the State, and particularly the University of Hawaii, has not enjoyed the high capacity connectivity to national research networks available that is to other states due to Hawaii's geographic isolation and the high cost of telecommunications.

Advances in technology and the recent completion of the trans-pacific fiber optic cable from Hawaii to the continental United States provide cost efficient, high quality, and high capacity connectivity to the mainland. Additionally, the State has made substantial investments in statewide telecommunications infrastructure and has significant and unique resources, including the finest astronomical viewing facilities and an outstanding Asia-Pacific library collection, all of which will benefit the nation if high capacity connectivity was provided.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 222, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1524 Education on H.C.R. No. 234

The purpose of this Concurrent Resolution is to request the University of Hawaii College of Tropical Agriculture and Human Resources to assess the need to establish additional extension agent positions at the University's Kona campus.

Your Committee finds that there is an increasing need for the services of extension agents as the West Hawaii community expands in size and character.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 234 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1525 Education on H.C.R. No. 241

The purpose of this Concurrent Resolution is to request that the Legislature provide the Department of Education with funds to facilitate and expedite the replacement and installation of an improved telephone system for Kahuku High School.

Your Committee recognizes that an updated and improved telephone system will contribute to the smooth and efficient operation of this public school.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 241, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1526 Education on H.C.R. No. 243

The purpose of this Concurrent Resolution is to provide access to school buildings and facilities for physically handicapped children.

This measure requests the Department of Education to review all specifications and directives regarding the design, construction, and alteration of school facilities, to ensure that modifications do not cause additional problems for physically handicapped children or create safety hazards for other children and their teachers.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 243, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1527 Education on H.C.R. No. 244

The purpose of this Concurrent Resolution is to study the feasibility of establishing a comprehensive Philippine Studies Program at Leeward Community College.

In response to the need of a variety of ethnic groups in Hawaii, the University has already established the Department of Ethnic Studies and the School of Hawaiian, Asian, and Pacific Studies. Your Committee finds that a Philippine Studies Program will foster a better understanding and greater appreciation of the Filipino culture, languages, and heritage, not only for students of Filipino ancestry, but for all students at the University.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 244, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1528 Education on H.C.R. No. 267

The purpose of this Concurrent Resolution is to request the University of Hawaii library, in collaboration with the State public library system and the Department of Education library system, to prepare a master plan for the development of electronic information services.

This measure provides for the master plan to include the identification of areas where collaborative efforts between the various library systems are most effective and areas which should be handled individually, as well as cost estimates of the equipment and personnel needed by implement the plan.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 267, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

LCRep. 1529 Executive Appointments on Gov. Msg. Nos. 311, 342, 330, 336, 340 and 347

Recommending that the Senate advise and consent to the nominations of the following:

ALEXANDER G. "ALIKA" THOMPSON to the Waikiki Convention Center Authority, term to expire June 30, 1995;

ALTON T. KUIOKA to the Waikiki Convention Center Authority, term to expire June 30, 1992;

T.C. YIM to the Board of Land and Natural Resources, term to expire June 30, 1993;

CHRISTOPHER J. YUEN to the Board of Land and Natural Resources, term to expire June 30, 1994;

RICHARD N. WEST to the Board of Directors, Natural Energy Laboratory of Hawaii, term to expire June 30, 1992;

SOPHIE ANN M. AOKI ROBERTSON to the Board of Directors, Natural Energy Laboratory of Hawaii, term to expire June 30, 1994;

LEE A. OHIGASHI to the Board of Regents, University of Hawaii, term to expire June 30, 1994;

EDWARD M. KUBA, RUTH ONO, Ph.D., H. HOWARD STEPHENSON, ROY Y. TAKEYAMA and JOHN USHIJIMA to the Board of Regents, University of Hawaii, terms to expire June 30, 1995;

TED COOK, SAM SHENKUS and RANDELL T. YAMANE to the Hawaii Tourism Marketing Council, terms to expire June 30, 1993;

JULIE HUGO, GAE BERGQUIST TROMMALD and MICHAEL B. WHITE to the Hawaii Tourism Marketing Council, terms to expire June 30, 1994; and

SANDRA ALBANO, PETER V. HERNDON and A. MAURICE MYERS to the Hawaii Tourism Marketing Council, terms to expire June 30, 1995.

Signed by all members of the Committee.

SCRep. 1530 (Joint) Education and Health and Human Services on H.C.R. No. 227

The purpose of this Concurrent Resolution is to request the designation of the Governor's Office of Children and Youth as the lead agency for early childhood education and care.

Currently, delivery of child care services are fragmented among at least four departments, creating duplication and gaps in services. Designation of a lead agency for statewide planning, coordination, evaluation, and development of a statewide service delivery network will eliminate many of the current problems.

Your Committees on Education and Health and Human Services concur with the intent and purpose of H.C.R. No. 227, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Senator Yamasaki.

SCRep. 1531 Tourism and Recreation on H.C.R. No. 140

The purpose of this concurrent resolution is to request the Department of Natural Resources to give priority consideration to the purchase of Makaleha beach at Mokuleia, Oahu, for the development of a public beach park.

Your Committee finds that Oahu's beach parks have an islandwide service area and are experiencing a continuous problem with overcrowding.

Your Committee also finds that a beach park at Makaleha in Mokuleia would provide access to two miles of excellent beaches that are presently without access and relief from the overcrowded picnic and camping sites along the North Shore.

Your Committee on Tourism and Recreation concurs with the intent and purpose of H.C.R. No. 140 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1532 Health and Human Services on H.C.R. No. 87

The purpose of this Concurrent Resolution is to request a cooperative effort to ensure that heart transplant services are available and accessible to the people of Hawaii.

Your Committee finds that without federal assistance, residents of Hawaii will not have equal opportunity to have this life-sustaining procedure performed at home in Hawaii, regardless of their ability to pay.

Your Committee has amended this bill by requesting the Legislative Auditor to formulate the recommendations rather than the Departments of Health and Human Services and the State Health Planning and Development Agency.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 87, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 87, S.D. 1.

Signed by all members of the Committee.

SCRep. 1533 Health and Human Services on H.C.R. No. 115

The purpose of this Concurrent Resolution is to request the Department of Health, in collaboration with the Big Island Aids Project, to develop a system for measuring the extent of human immunodeficiency virus (HIV)-related infections and conditions in West Hawaii.

Your Committee finds that the end result of such a study would be more precise data and a better sense of HIV-related needs for program planning purposes.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 115, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1534 Health and Human Services on H.C.R. No. 212

The purpose of this Concurrent Resolution is to request the State Developmental Disabilities Planning Council to undertake a feasibility study of Hawaii's autistic and autistic-like population.

Your Committee finds that persons with autism and autistic-like behaviors is a diverse group needing a wide range of services. Because of the diversity, identification of what services are needed for a particular individual are often difficult to identify. However, our lack of understanding of the nature of "autism" should not stand in the way of provisions of services.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 212, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1535 Health and Human Services on H.C.R. No. 279

The purpose of this Concurrent Resolution is to request the Governor's Homeless Concerns Advisory Committee to identify ways of streamlining procedures of the State's social services' programs to ease access to these programs for the homeless.

Your Committee has amended this bill by adding Homeless Aloha to those with whom the Advisory Committee should collaborate for its investigation. The name of the State Health Insurance Program was also corrected.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 279, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 279, H.D. 1, S.D. 1.

Signed by all members of the Committee.

SCRep. 1536 Health and Human Services on H.C.R. No. 295

The purpose of this Concurrent Resolution is to request a study on the impact of Federal changes to the Medicare and Medicaid Programs.

Your Committee finds that because of the numerous changes in the budget-reconciliation bill concerning the Medicare and Medicaid programs, it is unclear how Hawaii will be impacted in terms of the State's future costs for health care.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 295 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1537 Health and Human Services on H.C.R. No. 314

The purpose of this Concurrent Resolution is to request the Department of Health to examine alternatives to the delivery of health care services to the Neighbor Islands.

Your Committee finds that residents of the Neighbor Islands are medically underserved. With the recent advent of several important strategies for improving the delivery of health care on the Neighbor Islands, it is important to encourage study, thought, and wide discussion regarding the implications, interrelationships, and optimal implementation of these strategies.

Your Committee has amended this measure by extending by one year the time for the Department of Health to convene the series of discussions on these issues and the time for the Department of Health to submit a report to the Legislature.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 314, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 314, S.D. 1.

Signed by all members of the Committee.

SCRep. 1538 Health and Human Services on H.C.R. No. 326

The purpose of this Concurrent Resolution is to request the Department of Health to evaluate the costs and benefits of establishing a self-sufficiency trust fund.

Your Committee finds that families with developmentally disabled dependents have difficulty guaranteeing that their dependents will continue to be properly and well cared for after the family members are no longer living.

Your Committee also finds that there is a growing need for innovative estate planning that would avoid penalizing families who contribute to the care of their disabled dependents.

Your Committee further finds that a self-sufficiency trust fund program has been successfully implemented in the State of Illinois at minimal cost to the state through partnership with private trust companies.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 326 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1539 Health and Human Services on H.C.R. No. 17

The purpose of this Concurrent Resolution is to request the Department of Human Services and the AIDS Community Care Team to jointly address the difficulties of HIV-infected persons obtaining health care by assessing, evaluating and developing strategies that will enable HIV-infected persons to obtain the care, services, resources, information, and other assistance they require in the most efficient, expeditious, and coordinated manner possible.

Your Committee finds that prompt and efficient receipt of services and assistance is critical not only to the health but to the social, emotional, and economic well-being of HIV-infected individuals.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 17, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1540 Health and Human Services on H.C.R. No. 23

The purpose of this Concurrent Resolution is to request the Department of Health to review the State Health Insurance Program enrollment process.

The program has serviced over eleven thousand residents in its first year of operation. Your Committee finds that there is a need to streamline the program, especially for applicants faced with emergency situations.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 23 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1541 Health and Human Services on H.C.R. No. 89

The purpose of this Concurrent Resolution is to urge the Department of Health, in conjunction with the Department of Human Services, to review sanitation standards for food service operations as they relate to adult and child care facilities.

Your Committee finds that these facilities have incurred excessive and unnecessary costs in order to meet current sanitation standards, and further finds that many of these costs are not related to the immediate health and safety needs of participating adults and children. A review of the sanitation standards set forth in Section 321-11, HRS, will provide information needed to properly address the difficulties faced by adult and child care providers in meeting licensing requirements relating to food serving operations.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 89 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1542 Health and Human Services on H.C.R. No. 245

Your Committee finds that the Department of Health has estimated that there are more than 6,000 children and teenagers in Hawaii who have severe and disabling mental illnesses.

Your Committee also finds that these rising numbers indicate a definite need for a stepping up of efforts to help these children.

Your Committee further finds that the Florida Research and Training Center for Improved Services for Seriously Emotionally Disturbed Children has presented a model which incorporates community-based residential and nonresidential services that focuses not only on services for the children, but on services for their families as well.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 245 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1543 Health and Human Services on H.C.R. No. 274

The purpose of this Concurrent Resolution is to request the Governor's Blue Ribbon Panel on the Future of Health Care in Hawaii to study the feasibility of requiring health insurance carriers to compensate policyholders for transportation costs.

Your Committee finds that because the majority of rural communities in the State lack "ultra-modern", high-tech medical facilities as well as highly trained medical service personnel, residents of the Neighbor Islands often must commute to Oahu for medical diagnosis and treatment, forcing them to contend with the added costs of transportation incurred in obtaining special health care services. Insurance coverage for these costs would help insure health care.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 274, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1544 Health and Human Services on H.C.R. No. 291

The purpose of this Concurrent Resolution is to request the Governor's Committee on AIDS to study and report on the State's various first responder professional organizations' efforts to coordinate with each other in developing and implementing occupational exposure curricula and training.

Your Committee finds that unequal levels of funding for the various first responder organizations with regard to HIV education has resulted in inconsistent and often inadequate training in this important area, thus perpetuating worry and concern, as well as increasing the risk of transmission.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 291, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1545 Health and Human Services on H.C.R. No. 313

The purpose of this Concurrent Resolution is to request the Hawaii State Legislature's support of the Hawaii Cancer Pain Initiative.

Your Committee finds that approximately 70 percent of all cancer patients experience intense pain during their bout with the disease. Pain among cancer patients is unlike other pain witnessed by health care providers. Exposing students to curriculum about cancer related pain will help to alleviate the suffering of cancer patients during an already trying time.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 313 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1546 Consumer Protection and Business Regulation on H.C.R. No. 256

The purpose of this Concurrent Resolution is to affirm the Hawaii State Legislature's continued support of a viable dual banking system, and express its opposition to any congressional proposals that would weaken or eliminate this system.

Your Committee finds that dual banking has resulted in innovations in the banking system and increased consumer protection. This Concurrent Resolution sends a strong message to Congress emphasizing that state regulators and state legislators should not be overlooked in discussions involving expanded powers, interstate branching, and the ownership of commercial banks.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of H.C.R. No. 256 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1547 Consumer Protection and Business Regulation on H.C.R. No. 257

The purpose of this Concurrent Resolution is to notify Hawaii's congressional delegation of the need to enact reasonable proposals to ensure the safety and soundness of the nation's banking system without abrogating the right of the states to formulate their own proposals.

Your Committee finds that the states play an important role in the regulation of financial institutions under the dual banking system, ensuring that local conditions, needs, and wishes are given due consideration. During the present congressional session, there has been serious discussion regarding a complete overhaul of the system of banking regulation. This Concurrent Resolution affirms the states' right to examine issues that are unique to the states, and sends the message that the states should be able to control their own direction without undue influence from federal law.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of H.C.R. 257 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1548 Consumer Protection and Business Regulation on H.C.R. No. 258

The purpose of this Concurrent Resolution is to request the Legislative Auditor to study the feasibility and ramifications of regulating financial exchange intermediaries, pursuant to Section 26H-6, Hawaii Revised Statutes.

Your Committee finds that financial exchange intermediaries may hold large amounts of money in uninsured accounts, yet no bonds or reports of financial stability are required. This Concurrent Resolution will allow for an analysis on the appropriateness of legislation regarding state regulatory controls of such practices.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of H.C.R. No. 258 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1549 Consumer Protection and Business Regulation on H.C.R. No. 355

The purpose of this Concurrent Resolution is to urge the Department of Commerce and Consumer Affairs to provide motor vehicle insurance information to consumers, including the development, printing, and distribution of informational brochures.

Your Committee finds that there is a need for consumer education on insurance issues, especially with regard to no-fault insurance, and a cooperative effort by the Insurance Division, the Hawaii Independent Insurance Agents Association, and the Hawaii Insurer's Council would significantly augment the provision of valuable consumer information to the public.

Your Committee on Consumer Protection and Business Regulation concurs with the intent and purpose of H.C.R. No. 355, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1550 Judiciary on H.C.R. No. 85

The purpose of this resolution is to request that "Shoeless" Joe Jackson be exonerated from conspiring to throw the 1919 World Series and that he be admitted into the National Baseball Hall of Fame.

"Shoeless" Joe Jackson was one of eight White Sox players who were indicted for conspiring to throw the World Series in 1919 to the Cincinnati Reds in what has become known as the "Black Sox Scandal." Conflicting and differing versions exist to this day as to what actually occurred. However, the accusation that Jackson played to lose in the 1919 games is subject to considerable doubt because of his remarkable performance in the Series, having scored more hits than any player on either team as well as driving in six runs and scoring five. Furthermore, he was acquitted of all charges of the conspiracy by juries in both criminal and civil courts.

Your Committee received testimony in support of this resolution from several concerned citizens.

Your Committee amended the resolution by changing the direct request for exoneration of Joe Jackson to a request for an investigation into the matter. While in accord with the intent of the resolution, your Committee was reticent to act as a fact finding body and finds it inappropriate to provide conclusions without the benefit of direct evidence in the matter.

Your Committee agrees that because of Joe Jackson's extraordinary achievements and dedication to America's time honored sport, an investigation be conducted to bring the truth to light, restore him as a member in good standing in baseball, and make him eligible to be considered for admission to the National Baseball Hall of Fame.

Your Committee further amended the resolution by including the writers, director, producers, and cast of the film Eight Men Out to the list of those to receive certified copies of this concurrent resolution.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 85, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 85, S.D. 1.

Signed by all members of the Committee except Senators Holt, Ikeda and Koki.

SCRep. 1551 Judiciary on H.C.R. No. 340

The purpose of this resolution is to request the Department of the Attorney General to study ways of improving Hawaii's child support enforcement program by examining innovative programs and automated systems used in other states to collect delinquent child support payments.

In response to federal legislation, the State's child support enforcement program was established and is currently being administered by the Child Support Enforcement Agency (CSEA) of the Department of the Attorney General.

According to a 1989 Legislative Auditor's report, the psychological development and adjustment of children was significantly associated with adequate, stable child support, and children receiving regular financial support were more likely to remain in the same home and in the same school. Delays and nonpayments of child support seriously affect the health and welfare of children and cause distress and frustration to their families.

Many other states have instituted vigorous and innovative methods of collecting delinquent child support payments such as employing credit agencies, publicizing obligor lists, ordering property liens, and pursuing incarceration. The key by which other states have dramatically increased child support collections is automation of child support enforcement data. Automation enables these states to calculate and report delinquencies in an expedient manner, locate the delinquent party and enforce timely payments, and automatically track cases and initiate the next step in the follow-up process, thereby expediting or insuring payments to the children's household. In addition, automated systems which meet federal requirements for comprehensiveness and compatibility with other state systems are eligible for ninety percent federal matching funds.

Your Committee finds that programs or automated systems that would increase the effectiveness of Hawaii's child support enforcement program should be studied.

Testimony in support of the resolution was submitted on behalf of the Governor's Office of Children and Youth, the League of Women Voters of Hawaii, and a private individual.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 340, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Senators Ikeda and Koki.

SCRep. 1552 Health and Human Services on H.C.R. No. 30

The purpose of this Concurrent Resolution is to request the University of Hawaii to conduct a study of training opportunities for bilingual/bicultural staff.

Your Committee finds that many immigrants are serviced by the Department of Human Services annually, primarily in the areas of welfare eligibility and human service counseling. Training of bilingual/bicultural staff in these areas will greatly enhance the Department's efforts to assist these immigrants in making the cultural transition.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 30 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1553 Health and Human Services on H.C.R. No. 224

The purpose of this Concurrent Resolution is to reaffirm the intent of Act 307, Session Laws of Hawaii 1986, establishing the Department of Health's bilingual health education program and requesting a report on its implementation.

Your Committee finds that there is a need to assist non-English and limited English-speaking residents to ensure equal access to health care.

Your Committee on Health and Human Services concurs with the intent and purpose of H.C.R. No. 224, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1554 (Joint) Planning, Land and Water Use Management and Agriculture and Environmental Protection on S.R. No. 133

The purpose of this Resolution is to request the Departments of Land and Natural Resources and Agriculture to formulate plans to construct a privately managed livestock transfer facility on public land on Oahu.

The Departments are requested to report to the 1992 Legislature.

Your Committees find that cattle is an important agricultural industry which merits support from both the private and public sectors. A privately managed livestock facility, planned by public agencies, situated on public land, and utilized as a transfer station between the Neighbor Islands and the mainland United States, would be beneficial to all parties and help enhance an important Hawaiian industry.

Your Committees, upon further consideration, have amended this Resolution by requesting the Departments to allow operation of the facility on an interim basis, rather than plan and construct it, and by specifying the Barber's Point Feedlot as the location. Should the Barber's Point Feedlot close or be relocated, the Departments are requested to assist in planning for the transfer facility's relocation to another appropriate site.

Your Committees on Planning, Land and Water Use Management and Agriculture and Environmental Protection concur with the intent and purpose of S.R. No. 133, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 133, S.D. 1.

Signed by all members of the Committees except Senator Reed.

SCRep. 1555 Planning, Land and Water Use Management on H.C.R. No. 105

The purpose of this Concurrent Resolution is to authorize the Board of Land and Natural Resources to dispose of water rights pursuant to Chapter 171, Hawaii Revised Statutes, for the purpose of generating nonconsumptive and nonpolluting hydroelectric power.

The specific purpose of the disposition is to authorize the Wailuku River Hydroelectric Power Company, Inc. to divert, impound, transmit, and use waters from the Kalohehewa Stream, a tributary of the Hookelekele Stream, and the Wailuku River South of Hilo (Tax Map Key: 3rd Tax Division/2-6-18:04) to produce hydroelectric power. The Department will submit to the Legislature a report on water quality, bypass flows, and impacts on stream biota one year after the Company completes construction and is operational.

Your Committee finds that the Wailuku River Hydroelectric Power Company's plan to furnish hydroelectric power meets the specifications contemplated by the Legislature in enacting Chapter 171 and, as proposed, will benefit Hawaii's citizens and the environment. Your Committee is satisfied that the report required of the Department will ensure that the policy established by the Legislature in Chapter 171 and this Concurrent Resolution will be carried out, else the project will be disqualified.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 105, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1556 Planning, Land and Water Use Management on H.C.R. No. 108

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to encourage and promote equestrian activities in the Na Ala Hele System.

The Department is further requested to assist in selecting trails suitable for the Hawaiian Equestrian Trail Association's Adopt-A-Trail Program. Ecologically sensitive areas such as those prone to erosion or containing significant portions of native vegetation, as well as popular hiking trails, will not be considered for equestrian activities.

Your Committee finds that the people of Hawaii have a long history of horsemanship and that interest in equestrian activities is growing. This Concurrent Resolution will help to stimulate such interest in a manner consistent with recreational and ecological policies and objectives.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 108, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1557 Planning, Land and Water Use Management on H.C.R. No. 164

The purpose of this Concurrent Resolution is to designate the Keehi Industrial Park on approximately 18.7 acres of public land at Keehi Lagoon.

The date of designation will be after the date on which the Department of Land and Natural Resources gains title to the lands.

Section 171-132(1), Hawaii Revised Statutes, provides that public land suitable for industrial use may be designated as an industrial park pursuant to resolution adopted by the Board of Land and Natural Resources and approved by the Legislature by Concurrent Resolution. The Board, at its March 8, 1991 meeting, adopted a resolution to designate the Keehi Industrial Park. This Concurrent Resolution constitutes legislative approval of the Board's resolution pursuant to Section 171-132(1).

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 164 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1558 Planning, Land and Water Use Management on H.C.R. No. 343

The purpose of this Concurrent Resolution is to request Congress to enact legislation providing for return to the original owner, on equitable terms and with equitable compensation, lands condemned by the federal government for public use which are no longer used for such purposes.

Your Committee finds that since use of the power of eminent domain requires a finding of public purpose, property condemned by the federal government but no longer used for such purposes should revert back to the original landowner under terms and conditions mutually acceptable to the federal government and the landowner.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 343 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1559 Planning, Land and Water Use Management on H.C.R. No. 146

The purpose of this Concurrent Resolution is to request the Board of Land and Natural Resources to immediately cease negotiations on lease rents and boundary amendments with the current lessee of state lands at Pu'uwa'awa'a, Hawaii.

The Board is also requested to instruct the Natural Area Reserves System Commission to prepare a proposal for a Natural Area Reserve at Pu'uwa'awa'a and Pu'uana'hulu that would include the remaining representative native vegetation of the region. Once the proposal is adopted by the Board, it would be transmitted to the Governor for the purpose of establishing the Natural Area Reserve by Executive Order.

The land at issue has been owned by the public as ceded lands dating back to the beginning of Territorial Government. Subsequently, the Territorial Government and later the State leased the land for cattle ranching; however, the lessee has repeatedly failed to comply with specific provisions of the lease including a requirement that all permits and approvals be obtained before initiating improvements, a prohibition on use of the property for purposes other than pasturage, and a prohibition on establishing a waste dump. Other concerns relating to current usage of the land include disappearance of the 'alala, destruction of the dryland lamakauwila forest, cutting koa trees, and use of the land for a sanitary landfill.

Your Committee finds that alleged violations of lease agreements and failure of the lessee to comply with requirements in a timely manner warrant investigation and possible revocation of the lease. Your Committee believes that the land is suitable for a game management area to accommodate public hunting, and that in view of the mismanagement of the acreage over the years, it is appropriate to initiate actions that would accomplish that objective.

Therefore, your Committee has amended this Concurrent Resolution by deleting its contents and inserting a request to the Board to prepare a list of alleged lease violations and review it, with the lessee, to determine the extent of the lessee's compliance or noncompliance. The Board will develop an action plan to ensure future compliance and regularly report to the environmental community and other concerned agencies regarding the compliance schedule.

With respect to the 1990 reopening of General Lease No. S-3589, the Board is requested to develop working agreements with the lessee to provide for sanctuaries to preserve special flora and fauna and, with public input, develop game management programs and a cooperative fire suppression program. If the lessee is not in compliance with lease terms, the Department of Land and Natural Resources will implement procedures specified in the lease to effect forfeiture to the State.

Your Committee on Planning, Land and Water Use Management concurs with the intent and purpose of H.C.R. No. 146, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 146, H.D. 1, S.D. 1.

Signed by all members of the Committee except Senators Hagino, Nakasato and George.

SCRep. 1560 Agriculture and Environmental Protection on H.C.R. No. 38

The purpose of this Concurrent Resolution is to express the Legislature's opposition to launching of Polaris missiles from the Pacific Missile Range Facility at Barking Sands, Kauai until an independent environmental impact statement is prepared and further study and evaluation of the STARS project is initiated.

Hawaii's residents have clearly expressed their concerns regarding SDI initiatives at Barking Sands. The STARS project, part of SDI, would require the Department of the Army to ship extremely hazardous rocket propellants to Nawiliwili Harbor and then truck them thirty-seven miles to the launch site.

Your Committee finds that the STARS project could interfere with habitats and behaviors of native flora and fauna, would impact detrimentally on historical sites, and expose residents to unacceptable health and safety hazards. This Concurrent Resolution expresses Legislative policy and overwhelming public sentiment regarding operation of the STARS project on Kauai until convincing evidence is produced that the people and environment will not be jeopardized.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 38, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1561 Agriculture and Environmental Protection on H.C.R. No. 117

The purpose of this Concurrent Resolution is to request the Hawaii U.S. Congressional Delegation to provide humanitarian assistance to the people of Rongelap Atoll, Marshall Islands.

Senator Anjain from the Republic of the Marshall Islands presented testimony on the history and effects of U.S. nuclear testing on Rongelap. From the Bravo explosion of 1945, approximately 110 miles from Rongelap, until now, the lives of the people of Rongelap have been irrevocably disrupted, changed, and harmed both physically and emotionally by U.S. actions.

Effects of radiation have resulted in severe physical problems for both the original inhabitants and their children. This occurred during the three days after the initial blast, as well as during a premature return to the island when radiation levels were still as high as those on Bikini and Enewatok islands which are still declared unsafe for human habitation by the Department of Energy.

Furthermore, the life of the Rongelap people in exile on Mejjatto, a remote barren atoll in the Northern Marshalls, is one of extreme hardship. Physical constraints prevent the continuation of their traditional subsistence lifestyle and have resulted in a dependency upon U.S. assistance for food and shelter.

Your Committee agrees with the testimony of Representative Neil Abercrombie, speaking as a private citizen, that it is the responsibility of every American citizen to rectify the damage done to the people of Rongelap. Representative Abercrombie believes that the passage of this Resolution will give the U.S. Congressional delegation in Washington a mandate to provide for the people of Rongelap in a just and equitable manner.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 117, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1562 Agriculture and Environmental Protection on H.C.R. No. 178

The purpose of this Concurrent Resolution is to urge the Environmental Protection Agency to provide funds from the Near-Shore Initiative, and the Environmental Monitoring and Assessment Program for an assessment of the condition of Hawaii's coral reefs.

Reliance on ocean resources has advanced diversification of Hawaii's economy by providing jobs in tourism, fishing, and recreation, and our coral reefs are home to diverse marine wildlife and reduce erosion by protecting the shoreline from powerful waves. However, accumulation of pollution and extreme changes in population densities jeopardize ocean resources and could cause long-term health problems for Hawaii's people. This Concurrent Resolution will help to ensure that our treasured ocean resources are properly managed and protected.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 178, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1563 Agriculture and Environmental Protection on H.C.R. No. 242

The purpose of this Concurrent Resolution is to request the University of Hawaii's Water Resources Research Center to study water quality problems in the Kaiaka-Waialua Bay Hydrologic Unit, including groundwater and surface water, and develop a proposal for a monitoring program to complement USDA conservation efforts.

The USDA's Soil Conservation Service, the Departments of Land and Natural Resources, Health, and Agriculture, and the Hawaii Association of Conservation Districts are encouraged to participate, and the Center is requested to submit to the 1992 Legislature a report of findings and recommendations, including draft legislation if appropriate.

Kaiaka and Waialua Bays, on Oahu's North Shore, are heavily used for recreational activities including surfing, swimming, and fishing, and both are coastal terminuses of the massive Kaiaka-Waialua Bay Hydrologic Unit. The same area contains the Waialua Aquifer, a key groundwater reserve source for Oahu which must be protected. However, recently the Hydrologic Unit has been plagued by both groundwater contamination and recreational shoreline degradation due to agricultural chemicals leaching into the soil and sediment washing into the ocean.

The USDA is focusing on Hawaii as recipient of monies to implement Best Management Practices to reduce quantities of sediments and pesticides contributing to nonpoint source pollution. Private landowners and the military are supportive of such efforts, but success rests largely with effective implementation of Best Management Practices procedures. Your Committee finds that the University of Hawaii's Water Resources Research Center is well qualified to monitor this effort.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 242, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1564 Agriculture and Environmental Protection on H.C.R. No. 187

The purpose of this Concurrent Resolution is to urge the Bush administration to establish of the United States-Pacific Nations Joint Commercial Commission headquarters in Hawaii.

Your Committee finds that as the world's political and economic center of gravity shifts to the Asia-Pacific region, Hawaii needs to establish itself as a geographical and intellectual "hub" of international activity if it is to be considered a regional leader in the 21st Century. Having the Joint Commercial Commission headquarters in Hawaii is consistent with goals to provide challenging and rewarding new opportunities for Hawaii's people within a broader-based local economy.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 187 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1565 Agriculture and Environmental Protection on H.C.R. No. 188

The purpose of this Concurrent Resolution is to urge the members of the Hawaii congressional delegation to support the establishment of the United States-Pacific Nations Joint Commercial Commission headquarters in Hawaii.

Your Committee finds that as the world's political and economic center of gravity shifts to the Asia-Pacific region, Hawaii needs to establish itself as a geographical and intellectual "hub" of international activity if it is to be considered a regional leader in the 21st Century. Having the Joint Commercial Commission headquarters in Hawaii is consistent with goals to provide challenging and rewarding new opportunities for Hawaii's people within a broader-based local economy.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 188, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1566 Agriculture and Environmental Protection on H.C.R. No. 320

The purpose of this Concurrent Resolution is to support the U.S. Navy's research on supercritical water oxidation as a means to destroy chemical warfare agents, propellants, and other hazardous or toxic materials.

Your Committee finds that there is a great potential benefit in supporting the U.S. Navy in its research of this new and promising technology. Further, there is sufficient justification to pursue this research as information indicates that the current practice of incineration may be technologically obsolete.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 320, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1567 Judiciary on H.C.R. No. 85

The purpose of this resolution is to request that an investigation be conducted into Joe Jackson's alleged involvement in the conspiracy to throw the 1919 World Series, and that, if he is exonerated, he be considered for admission into the National Baseball Hall of Fame.

"Shoeless" Joe Jackson was one of eight White Sox players who were indicted for conspiring to throw the World Series in 1919 to the Cincinnati Reds in what has become known as the "Black Sox Scandal." Conflicting and differing versions exist to this day as to what actually occurred. However, the accusation that Jackson played to lose in the 1919 games is subject to considerable doubt because of his remarkable performance in the Series, having scored more hits than any player on either team as well as driving in six runs and scoring five. Furthermore, he was acquitted of all charges of the conspiracy by juries in both criminal and civil courts.

Your Committee amended the resolution by changing the title.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 85, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 85, S.D. 2.

Signed by all members of the Committee except Senators Crozier and Ikeda.

SCRep. 1568 Housing and Hawaiian Programs on H.C.R. No. 147

The purpose of this resolution is to reflect on the rights and dignities of the native Hawaiians on the occasion of the 100th Anniversary of the Overthrow of the Independent Nation of Hawaii.

Your Committee finds that the year 1993 holds special significance for everyone who has been a part of Hawaii over the past 100 years since military action by the United States resulted in the overthrow of the peaceful and independent nation of Hawaii.

Your Committee further finds that a century after these acts of military aggression marks a point of consequence and great import for recognizing broader issues involving the proper status of all people, irrespective of race, to exercise the right of self-determination.

Your Committee on Housing and Hawaiian Programs concurs with the intent and purpose of H.C.R. No. 147, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Senators McMurdo and Nakasato.

SCRep. 1569 Ways and Means on H.B. No. 370

The purpose of this bill is to appropriate funds to assist in the inventory, return, and dignified reinterment of Native Hawaiian bones now curated or stored in various museums and other scientific facilities.

Your Committee finds that these actions are an important step in restoring the integrity of valuable cultural resources.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 370, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1570 Ways and Means on H.B. No. 1382

The purpose of this bill is to appropriate funds to the department of education to conduct school inspections as mandated by Act 369, Session Laws of Hawaii 1989.

In compliance with Act 369, the department of education formed a committee to assist in developing and implementing a school inspection program. Your Committee finds that this measure will allow the department to review and refine the implementation of this program for the next school year.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 1382, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1571 Legislative Management on H.C.R. No. 324

The purpose of this Concurrent Resolution is to request the Department of Accounting and General Services to submit a report on the feasibility of developing painted timelines exhibits of Hawaii's historic eras in the State Capitol stairwells.

Your Committee finds that every year thousands of people attend tours to learn about the Capitol, the structure representing the center of Hawaii's government.

Your Committee also finds that tours of the Capitol will be enhanced by the implementation of a permanent, year-round program for the State Capitol and the surrounding Capitol district.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 324, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1572 Legislative Management on H.C.R. No. 327

The purpose of this Concurrent Resolution is as follows:

- (1) To request the Legislative Auditor to compile and analyze data on the resale of units converted under the Hawaii Land Reform Act, including the effect which such conversions may have on rising housing prices and the extent to which speculators and foreign interests have benefited from the resale process; and
- (2) To request the Housing Finance and Development Agency (HFDC) to collect and compile data on single family houselots converted from leasehold to fee simple and subsequently resold on or after the effective date of the Concurrent Resolution, including the number of completed conversions resold, the resale price, date of resale, and other data reflecting the effect which such resales may have on rising housing prices.

Your Committee finds that there are allegations that many lessees have made great profit from the resale of properties after converting their properties to fee under the Hawaii Land Reform Act.

Your Committee also finds that it has been alleged that speculation of properties converted to fee under the Act has contributed to the inflation of housing prices.

Your Committee further finds that the Housing Finance and Development Corporation is charged with the responsibilities of administering the Act.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 327, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1573 Ways and Means on H.B. No. 953

The purpose of this bill is to establish the mental health and substance abuse special fund, which will consist of all revenues and other moneys collected from treatment services rendered by the mental health and substance abuse programs operated by the State. Specifically, this bill:

- (1) Authorizes the department of health to establish separate accounts within the mental health and substance abuse special fund for depositing moneys received from each mental health and substance abuse program;
- (2) Requires moneys deposited into the respective accounts of each program to be used for the payment of the operating expenses of the respective program;
- (3) Requires the director of health to submit a report to the legislature before the convening of each regular session, regarding account balances and ceiling increases, any transfers and expenditures made, and the purposes of the expenditures;
- (4) Requires the director to establish reasonable charges for all treatment services, rather than just outpatient professional and other personal services rendered to patients, pursuant to the Hawaii Administrative Procedure Act;
- (5) Makes every person hospitalized at a psychiatric facility or receiving treatment services through a community mental health center under the jurisdiction of the State or a county, or at a psychiatric facility or through a community mental health center which derives more than fifty per cent of its revenues from the general fund of the State, liable for the expenses attending the person's reception, maintenance, and treatment;
- (6) Makes every parent or legal guardian of a minor, and every spouse of a patient, who is hospitalized at a psychiatric facility or receiving treatment through a community mental health center under the jurisdiction of the State or a county, or at a psychiatric facility or through a community mental health center which derives more than fifty per cent of its revenues from the general fund of the State, liable for the expenses attending the reception, maintenance, and treatment of that minor or spouse; and
- (7) Deletes provisions:
 - (A) Authorizing the director to adjust the amount of any liability so that the charges imposed will not tend to make the patient or the patient's family a public charge or deprive them of necessary support;
 - (B) Authorizing the director to defray the hospital expenses of indigent or medically indigent persons needing hospital treatment for mental illness, drug addiction, or alcoholism;
 - (C) Authorizing the director to furnish medicines and other supplies with or without charge to any medically indigent patient; and
 - (D) Authorizing the director to pay the expenses of transportation of a medically indigent person who is mentally ill or who is habituated to the excessive use of drugs or alcohol, to and from any psychiatric facility.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 953, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1574 Ways and Means on H.B. No. 2194

The purpose of this bill is to appropriate \$500,000 for salary adjustments for University of Hawaii administrative, professional, and technical (APT) employees in salary ranges APT 9 through APT 15.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 2194, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1575 Agriculture and Environmental Protection on S.R. No. 184

The purpose of this Resolution is to support the people of Guam in their efforts toward self-determination.

In light of Hawaii's recent membership in the Association of Pacific Island Legislatures and its role as a member of the Pacific Community, your Committee supports the federal policy that indigenous people have the collective right to political self-determination. In view of Guam's long association with the United States, your Committee supports the choice of the electorate to negotiate for commonwealth status.

Your Committee amended this measure to clarify Guam's historical development and made nonsubstantive amendments for style and clarity.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 184, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 184, S.D. 1.

Signed by all members of the Committee.

SCRep. 1576 Agriculture and Environmental Protection on H.C.R. No. 59

The purpose of this Concurrent Resolution is to urge state agencies to cease the distasteful and senseless mutilation of Hawaii's environment exacerbated by the practice of tree topping and refrain from tree topping unless it is done as a last resort when public safety requires.

Your Committee finds that such drastic means of pruning has many negative consequences, including:

- (1) Depriving the tree of its ability to manufacture sufficient nutrients for itself through photosynthesis;
- (2) Creating dense new growth which creates wind resistance making the tree more likely to blow over;
- (3) Increasing susceptibility to insects and fungus;
- (4) Reducing habitats for birds and other wildlife; and
- (5) Creating an eyesore to the general public.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of H.C.R. No. 59, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1577 (Joint) Culture, Arts and Historic Preservation, Consumer Protection and Business Regulation, and Science, Technology and Economic Development on H.C.R. No. 353

The purpose of this Concurrent Resolution is to urge the cable television industry not to pass on additional franchise fees to subscribers in the form of higher rates if such fees are assessed to support local productions by Hawaii Public Television and to express legislative concern over the absence of regulation of the industry at the State level.

Your Committees find that the Department of Commerce and Consumer Affairs (DCCA) has made an analysis of the Cable Television Industry in the State which indicates that cable companies are earning a fair rate of return, obviating the need to pass on any franchise fee increases to their subscribers. However, because there is no mechanism for the State to prevent a "pass on" to subscribers, your Committees believe it appropriate to request the companies to refrain from such a "pass on," in view of DCCA's analysis.

Your Committee has amended the Resolution to express concern over the lack of competition in the Cable Television Industry and the absence of a State regulatory agency.

Your Committees on Culture, Arts and Historic Preservation, Consumer Protection and Business Regulation, and Science, Technology and Economic Development concur with the intent and purpose of H.C.R. No. 353, H.D. 1, as amended herein and recommend its adoption in the form attached hereto as H.C.R. No. 353, H.D. 1, S.D. 1.

Signed by all members of the Committees except Senators Koki and Holt.

SCRep. 1578 Agriculture and Environmental Protection on S.R. No. 3

The purpose of this Resolution is to request the Litter Control Office of the Department of Health to ascertain what the commonly-used disposable plastic products used by state agencies are and to investigate their possible recycling.

Upon further consideration, your Committee has amended this resolution to request that the Department of Health study whether permitting the use of plastic beverage carriers designed to prevent harm to wildlife is consistent with State environmental policies.

Your Committee finds that current technology can produce recyclable plastic beverage carriers which can be manufactured from up to 100% recycled plastic. The use of such devices, if ecologically sound, would improve the marketability of many consumer goods.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 3, S.D. 1.

Signed by all members of the Committee.

SCRep. 1579 Agriculture and Environmental Protection on S.R. No. 56

The purpose of this Resolution is to request the Department of Health to take whatever actions are necessary to enable the Humane Society to obtain sodium pentobarbital for the euthanasia of animals directly from the manufacturer.

Injectable drugs that were customarily used for this purpose have been recently taken off the market, and sodium pentobarbital, preferred by the United States Humane Society and the American Veterinary Medical Association, is a controlled substance and unavailable from the manufacturer without a license from the Drug Enforcement Administration (DEA). This Resolution requests the Department to arrange with the DEA for the Hawaii Humane Societies to obtain such licenses.

Twenty-one states already enable shelters to obtain DEA licenses themselves, the alternatives being to pay a veterinarian to perform the euthanasia or work out an agreement with a licensed veterinarian to obtain an off-premise registration of the veterinarian's license permitting the shelter to obtain and use sodium pentobarbital.

Your Committee finds that there is a substantial public interest in the manner in which animals are destroyed. If the methods previously used are no longer available, and those that are available are unsatisfactory, the State should help the Humane Society obtain the drug it believes is best suited for the job.

Your Committee also finds that the Narcotics Enforcement Division of the Department of Public Safety has jurisdiction over registration of controlled substances; therefore, your Committee has amended this Resolution by redirecting it to that agency, rather than the Department of Health. Your Committee has the assurances of the Department of Public Safety that it will carry through with this request and report back to the 1992 Legislature.

Your Committee has also amended this Resolution by making technical changes that have no substantive effect.

Your Committee on Agriculture and Environmental Protection concurs with the intent and purpose of S.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 56, S.D. 1.

Signed by all members of the Committee except Senator Reed.