

## 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 Eighteenth Legislature of the State of Hawaii, Regular Session of 1995, 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 on November 3, 1998, except for the Senators from the Eleventh and Twenty-Fourth Senatorial Districts whose terms of office expire on November 5, 1996:

First Senatorial District

Malama Solomon

Fourth Senatorial District

Rosalyn Baker

Sixth Senatorial District

Avery Chumbley

Seventh Senatorial District

Lehua Fernandes Salling

Tenth Senatorial District

Les Ihara, Jr.

Eleventh Senatorial District

Brian Taniguchi

Thirteenth Senatorial District

Rod Tam

Seventeenth Senatorial District

David Ige

Eighteenth Senatorial District

Randall Iwase

Nineteenth Senatorial District

Cal Kawamoto

Twenty-First Senatorial District

James Aki

Twenty-Second Senatorial District

Robert Bunda

Twenty-Third Senatorial District

Mike McCartney

Twenty-Fourth Senatorial District

Michael Liu

Your Committee on Credentials begs further leave to report that it has examined the Letter of Appointment of the Honorable Whitney Anderson and finds that he is qualified to fill the respective vacancy in the Senate created by the resignation of Senator Mary George for the Eighteenth Legislature of the State of Hawaii, Regular Session of 1995.

Signed by Senators Fukunaga, Iwase and Liu.

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. No. 1 on H.B. No. 1800**

The purpose of this bill is to provide that whenever a student participates in the Department of Education's vocational student internship program and works for a private employer, the State will be responsible for purposes of workers' compensation coverage which will be the student's exclusive remedy against the State and the private employer.

Your Committee has amended this bill by clarifying that workers' compensation coverage is the student's exclusive remedy to the same extent as provided for in Chapter 386, Hawaii Revised Statutes. The Committee wishes to make clear that the student intern is protected to the same degree as every other worker, in conformity with the workers' compensation laws.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1800, 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. 1800, H.D. 1, S.D. 2, C.D. 1.

Senators Grauly, Chumbley, Matsunaga, Matsuura.  
Managers on the part of the Senate.

Representatives Stegmaier, Tom, Halford.  
Managers on the part of the House.

**Conf. Com. Rep. No. 2 on H.B. No. 518**

The purpose of this bill is to require all state building construction plans to consider the feasibility of installing cool storage air-conditioning in public buildings and facilities.

Your Committee notes that Hawaii's climate is conducive to planning and designing low-rise buildings that reduce our dependence on artificial cooling systems without sacrificing a comfortable environment. Specifically, the bill would require an economic feasibility study for all plans and specifications for construction of air-conditioned public buildings and facilities by the State whenever the estimated cost of air-conditioning is in excess of \$250,000; if the energy cost savings resulting from the installation of a cool storage air-conditioning system is indicated to be a simple payback of five years or less, the installation would be required.

Your Committee has amended the bill to require that all feasibility studies be filed with the Department of Accounting and General Services, since it is they, and not the Department of Business, Economic Development, and Tourism, who will be writing the rules pursuant to Chapter 91 of the Hawaii Revised Statutes, as noted in subsection (e) of the proposed new chapter.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 518, 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. 518, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Matsunaga, Levin, Tam, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Shon, Kawakami, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 3 on H.B. No. 1878**

The purpose of this bill is to simplify the implementation and improve the effectiveness of the State Enterprise Zones Program.

Specifically this bill will:

- (1) Clarify which employees qualify as low-income employees;
- (2) Limit tax credits to income taxes only;
- (3) Update references to federal programs; and
- (4) Delete the requirement that a certified public accountant complete the form stating that the business is a "qualified business."

Your Committee has amended this bill by allowing "independent accountants," rather than "independent public accountants licensed by the State," to verify whether business firms meet the definition of a qualified business under the State Enterprise Zones Law.

It is your Committee's understanding that allowing any "independent accountant" to perform the verification requirement will alleviate businesses, particularly small, start-up businesses, from incurring the extra cost of having a certified public accountant (CPA) licensed by the State to verify whether the business qualifies for enterprise zone benefits. Furthermore, broadening the type of accountant would qualify more accountants to perform this requirement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1878, 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. 1878, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Levin, Matsunaga, Tam, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Herkes, Kawakami, Isbell, Jones, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 4 on H.B. No. 1431**

The purpose of this bill is to authorize the Department of Education to establish limited term, forty-nine percent salaried educational officer and teacher positions to rehire retired personnel beginning July 1, 1995.

The Department of Education has stated that approximately sixty to eighty certificated employees need to be rehired to adequately staff the public schools for the 1995-1996 school year.

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

- (1) Changing the sunset date from June 30, 2000, to June 30, 1998;
- (2) Clarifying that the Department of Education and the appropriate bargaining unit exclusive representatives may agree to modify the terms and conditions of employment and establish appropriate dues;
- (3) Requiring the Department of Education to also report on its progress in adequately addressing teacher shortages in critical subject areas, including but not limited to mathematics, science, special education, industrial arts, and home economics; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1431, 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. 1431, H.D. 1, S.D. 1, C.D. 1.

Senators Kanno, Chumbley, Anderson.  
Managers on the part of the Senate.

Representatives Stegmaier, Yonamine, Takumi, Tarnas, Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 5 on H.B. No. 51**

The purpose of this bill is to adopt a statewide community noise code that the counties can use as a base for further local ordinances.

As originally drafted, this measure directed the Department of Health to set standards for noise levels in urban and non-urban areas of the state.

Upon further consideration, your Committee has determined that the counties need latitude in order to set their own standards for appropriate noise levels, within the parameters set out by the state. Further, this measure has been amended to state specifically that, in the event of conflict between Section 342F- and the already existing Section 46-17, the latter shall be the section of authority.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 51, 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. 51, H.D. 1, S.D. 1, C.D. 1.

Senators Tam, Aki, Levin.  
Managers on the part of the Senate.

Representatives Shon, M. Oshiro, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 6 on H.B. No. 22**

The purpose of this bill is to require the Department of Health to adopt written guidelines to determine circumstances which would require public informational briefings and hearings, by amending Chapter 321 of the Hawaii Revised Statutes.

As later amended, the bill would have deleted that provision and instead amended Section 342B-1 of the Hawaii Revised Statutes in order to add the definition of "biomass fuel burning boilers", a definition which was inadvertently omitted by the Department of Health when new rules regarding biomass boilers were being adopted.

Upon further discussion, your Committee has found merit in both concepts, and incorporated each, in its entirety, into this measure.

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

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

Representatives Shon, M. Oshiro, Tarnas, Yoshinaga, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 7 on H.B. No. 2000**

The purpose of this bill is to transfer the authority to conduct hearings on appeals of violations under Chapter 104, Hawaii Revised Statutes (which is commonly referred to as the "Little Davis-Bacon Act"), from the Labor and Industrial Relations Appeals Board to the Director of Labor and Industrial Relations.

Upon further consideration, your Committee has amended this measure by amending its effective date as follows:

- (1) Section 4 of this bill, which amends Section 104-5(b), Hawaii Revised Statutes, to require a 10 percent fine for second offenses, has been amended to take effect upon its approval; and
- (2) The remaining sections of the bill have been amended to take effect on July 1, 1996, to enable the Department of Labor and Industrial Relations to administratively prepare for the transfer.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2000, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2000, S.D. 1, C.D. 1.

Senators Kanno, Baker, Anderson.  
Managers on the part of the Senate.

Representatives Yonamine, Takumi, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 8 on H.B. No. 149**

The purposes of this bill are to:

- (1) Require the Department of Public Safety (DPS) to implement all elements of a model system for managing security staff in correctional institutions; and
- (2) Reduce prison overcrowding by providing the DPS with greater flexibility to:
  - (a) Transfer inmates to out of state correctional facilities; and
  - (b) Develop Hawaii correctional facilities in other states.

This bill has been amended by:

- (1) Adding a section requiring the DPS to submit an annual report to the Legislature detailing positions within the Correctional Industries Program;
- (2) Allowing the Director of Public Safety to appoint exempt employees necessary for the Correctional Industries Program, provided that the number of employees does not exceed thirty in any fiscal year;
- (3) Including a new section stating that no officer or employee having tenure shall suffer any loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of this Act; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 149, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 149, S.D. 1, C.D. 1.

Senators Grauly, Matsunaga, Matsuura.  
Managers on the part of the Senate.

Representatives McMurdo, Tom, Yonamine, Chun Oakland, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 9 on H.B. No. 2179**

The purpose of this bill is to authorize a condominium board of directors to adopt reasonable rules to regulate the solicitation of proxies or distribution of materials relative to the association and to allow a board to prohibit commercial solicitations. The bill further provides amendments to improve the complex condominium association management statutes and to support the goal of condominium property regime self-governance.

Specifically, the bill amends chapter 514A, Hawaii Revised Statutes, as follows:

- (1) Adds a new section on administrative or house rules to require boards to provide notice and copies of any proposed house rule prior to adoption and copies of any adopted house rule;
- (2) Amends the section on the recordation and contents of a declaration to require boards to mail proposed amendments to the declaration and ballots for voting within thirty days of the board's decision to amend, or within thirty days after the receipt of a petition for amendments to the declaration from apartment owners representing 25 per cent of the common interest, and to require the recordation of duly adopted amendments and amended floor plans;
- (3) Amends the section on contents of bylaws to require the inclusion of term limits for board members and to prohibit a director from voting on issues in which the director has a direct personal or pecuniary interest;
- (4) Amends the section on proxies to require additional choices on proxy forms; and
- (5) Amends the section on membership list to authorize a condominium board of directors to adopt reasonable rules to regulate the solicitation of proxies or distribution of materials relative to the association, to prohibit commercial solicitations, and to preclude the adoption of rules that prohibit solicitation of proxies or distribution of information on association matters.

After carefully considering the merits of the bill, your Committee has made the following amendments:

- (1) Deleted the proposed new section on administrative or house rules;
- (2) Deleted the proposed amendments to the section on recordation and contents of declaration;
- (3) Deleted the proposed amendments to the section on contents of bylaws;
- (4) Changed the proposed new language in the section on membership list so that instead of stating "a board of directors may adopt reasonable rules regulating the time, place, and manner of such solicitations or distributions," the provision now states "a board of directors may adopt rules regulating reasonable time, place, and manner of such solicitations or distributions";
- (5) Added a new section providing that the Real Estate Commission shall establish a plan for recodifying chapter 514A, Hawaii Revised Statutes, and submit a report on the plan to the legislature not later than twenty days prior to the convening of the regular session of 1996; and

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2179, 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. 2179, H.D. 1, S.D. 1, C.D. 1.

Senators Bunda, Chumbley, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Menor, Garcia, Hamakawa, Yoshinaga, Thielen.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 10 on H.B. No. 819**

Your Committee on Conference finds that there has been an increase in graffiti damage to both public and private property by juveniles. Graffiti damage results in a blight on Hawaii's neighborhoods and communities. Your Committee on Conference believes that stronger measures need to be in place to address the defacement and destruction of property by juveniles.

In addition to holding a minor responsible for the actual cost of having the damaged property replaced or repaired, this bill holds parents and legal guardians directly accountable for their children's actions. Your Committee on Conference believes that parents and guardians should accept responsibility and liability when a minor in their charge damages property by graffiti.

This bill expands upon existing law. Hawaii Revised Statutes (HRS) §577-3 states that the father and mother of an unmarried minor shall jointly and severally be liable for the tortious acts of the minor. HRS §571-48(13) permits the court to order the parents of a minor to make restitution to the victim of the minor's crime. Your Committee on Conference feels that the policy implications in these two statutes should combine to create a law which specifically addresses the problem of graffiti by holding parents and guardians responsible for the damages resulting from their children's acts of graffiti.

HRS §706-641 recognizes the long-standing principle that the financial ability of a person to pay a fine should be considered upon imposition of the fine. Your Committee on Conference is cognizant of the fact that many minors, as well as their parents and legal guardians, do not have the financial ability to pay for the actual cost of the damage to property. Rather than pose an insurmountable and onerous financial burden on indigent parents and legal guardians, your Committee on Conference believes that the court should consider the financial resources of the minor, parents, and legal guardians when ordering payment for the actual cost of the crime.

Your Committee on Conference finds that this bill addresses the problems associated with graffiti damage and addresses the frustration and outrage of the public toward this specific type of criminal property damage offense. Graffiti involves

drawing, inscribing and marking property. Your Committee believes that the existing criminal property damage statutes encompass acts involving other forms of damage to property and has, therefore, limited this bill to graffiti damage.

Your Committee feels that if the financial burden of paying the actual cost of the property damage is such that a person cannot pay for the total damage, that the court be able to order the payment of a portion of the damage or order that the damages be paid pursuant to an installment plan or any other viable manner. Also, your Committee on Conference believes that the court should have the ability to order the minor to perform community service work to an extent necessary to cover the costs of the unpaid damage.

Your Committee on Conference has amended this bill by deleting the language of H.B. 819, S.D. 1, and inserting the language of H.B. 819, H.D. 1. In addition, this bill has been amended to allow the court to order partial payment, payment by installment, other viable manner, and community service to the extent necessary to cover the costs of damage where the court finds that paying the cost of total damages creates a financial hardship.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 819, 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. 819, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, McCartney, Tam, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Swain, White, Yoshinaga, Thielen.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 11 on H.B. No. 1965**

The purpose of this bill is to make appropriate changes for the public library system to continue the initiatives started in 1991 in the reexamination of public services, cost-effectiveness of operations, revenue incomes, and private support and donations.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1965, 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. 1965, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Chumbley, Kawamoto, Liu.  
Managers on the part of the Senate.

Representatives Stegmaier, Kawakami, Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 12 on H.B. No. 898**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds of up to \$45,000,000 for the Kapiolani Health Care System and its not-for-profit subsidiaries to finance capital costs related to construction, renovation, and capital equipment purchases.

Your Committee has amended this measure by deleting the repeal of the sunset provision relating to special purpose revenue bonds for health care facilities in general since this matter is being handled in S.B. No. 1022.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 898, 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. 898, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Kanno, Levin, Anderson.  
Managers on the part of the Senate.

Representatives Pepper, Kawakami, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 13 on H.B. No. 1968**

The purpose of this bill is to eliminate the requirement for each woman applicant for a marriage license to be screened for rubella. Instead, the bill requires persons who attend pregnant women to test the pregnant women under their care for immunity to rubella. In addition, the Department of Health will be required to make available to every woman applying for a marriage license a brochure regarding rubella.

Upon further consideration, your Committee has amended the bill by making technical amendments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1968, 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. 1968, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Kanno, Levin, Anderson.  
Managers on the part of the Senate.

Representatives Pepper, Tom, Kawakami, Hamakawa, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 14 on H.B. No. 813**

The purpose of this bill is to create a rebuttable presumption of paternity based upon court ordered genetic testing with a threshold probability of paternity.

Your Committee on Conference finds that this bill's provision relating to establishing paternity based upon genetic testing will ensure compliance with the requirements of the Omnibus Reconciliation Act of 1993. Under this bill, court ordered genetic testing with a power of exclusion greater than 99 percent and a minimum combined paternity index of 500:1 will create a presumption that a man is the natural father of a child. Your Committee on Conference feels that a threshold probability at this level is sufficient to determine paternity.

This bill also provides for the use of a filed voluntary acknowledgment of paternity as a basis for establishing and enforcing a support obligation through judicial proceedings. Your Committee on Conference finds that this provision will allow for the expeditious enforcement of support obligations.

Your Committee on Conference finds that situations may arise where a presumed father has good cause to object to his earlier acknowledgment of paternity. To ensure that Hawaii Revised Statutes §584-4(6) will not preclude repudiation of a prior acknowledgment of paternity, your Committee on Conference has amended this bill to permit a good faith motion objecting to an acknowledgement of paternity.

Technical, non-substantive amendments have also been made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 813, 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. 813, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, Chumbley, Matsunaga.  
Managers on the part of the Senate.

Representatives Tom, Cachola, Hamakawa, White, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 15 on H.B. No. 1188**

The purpose of this bill is to amend the existing law by adding a provision that no member of the State Ethics Commission (Commission) may holdover after the expiration of the member's term for more than 120 days, and that if the Governor fails to fill the position within 60 days of his receipt of the list of nominees from the Judicial Council, that the Council shall select the member.

The bill, as received by your Committee, provided for a 180 day maximum holdover period. Your Committee was of the opinion that 180 days was an excessively long period of time for holdover, and that the 120 day period would be more in keeping with filling a vacancy in a timely manner.

Accordingly, your Committee amended the bill by changing the holdover period from 180 to 120 days, and by adding "only" after "administrative purposes" for the purpose of clarification.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1188, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1188, S.D. 1, C.D. 1.

Senators Grauly, Matsunaga, Matsuura.  
Managers on the part of the Senate.

Representatives Tom, Kanoho, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 16 on H.B. No. 1485**

The purpose of this bill is to provide the Liquor Commission with the ability to revoke, suspend, or place restrictions or conditions on any liquor license if the licensee allows, or has been convicted of, criminal activity within the licensed premises.

Your Committee has amended the bill by:

- (1) Replacing the word "and" on page 1, line 8, with the word "or";
- (2) Clarifying that adjacent related outdoor areas mean those under the licensee's control;
- (3) Deleting a reference to vibration codes since they are non-existent;
- (4) Expanding the scope of activities that are potentially injurious to the public in areas under the control of liquor licensees; and

- (5) Identifying the particular procedures that must be followed before a license can be denied, revoked, suspended, or placed conditions or restrictions upon:
  - (A) Petition of the administrator of the appropriate county agency;
  - (B) Proper notice to the licensee; and
  - (C) A hearing before the appropriate county liquor commission pursuant to chapter 91, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1485, 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. 1485, H.D. 2, S.D. 1, C.D. 1.

Senators Grauly, Holt, Matsuura, Tam.  
Managers on the part of the Senate.

Representatives Takumi, Menor, Tom, Ito, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 17 on H.B. No. 1770**

The purpose of this bill is to better promote the State's agricultural products and industry by requiring the Department of Agriculture (DOA) to:

- (1) Explore the feasibility of expanding its "Island Fresh" campaign to encompass national and international export markets; and
- (2) Develop and initiate a program with the private sector to promote the expanded campaign.

It is your Committee's understanding that the "Island Fresh" campaign was developed to promote the State's agricultural industry by encouraging Hawaii consumers to buy local products. However, your Committee also recognizes the vast economic potential of the export market for Hawaii's agricultural industry, and therefore believes that it is timely to examine the appropriateness of the "Island Fresh" campaign by expanding or modifying the campaign to promote Hawaii's agricultural products to their best advantage.

Your Committee has amended this bill by:

- (1) Specifying that the DOA also consider adding the following titles to the name "Island Fresh": "Island Fresh From Hawaii", "Hawaii Fresh", "Hawaii Made", and others; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1770, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1770, S.D. 1, C.D. 1.

Senators Kanno, Baker, Solomon, Anderson.  
Managers on the part of the Senate.

Senator Taniguchi did not sign the report.

Representatives Morikawa, Swain, Halford.  
Managers on the part of the House.

**Conf. Com. Rep. No. 18 on H.B. No. 26**

The purpose of this bill is to create more flexibility for transporting vehicles interisland.

In listing the documents which must be submitted to the shipper if the registered owner is not the legal owner is the notarized written consent of the legal owner thereof to the transportation. The Senate version used "shipper", rather than "transportation."

Your Committee on Conference has amended this bill by substituting "transportation" for "shipper" to make it consistent with Section 286-57, Hawaii Revised Statutes, Unlawful removal of motor vehicles from State.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 26, 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. 26, H.D. 2, S.D. 1, C.D. 1.

Senators Holt, Fernandes Salling, Iwase, Anderson.  
Managers on the part of the Senate.

Representatives Hiraki, Menor, Case, Yoshinaga, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 19 on H.B. No. 1385**

The purpose of this bill is to clarify the food, drug, and cosmetic law as to generic drug substitution for prescriptions.

This bill establishes prescription procedures for generic substitution. It also deletes "dispenser" and inserts "pharmacist"; deletes "prescriber" and inserts "practitioner"; and amends the affected sections accordingly. The definition section is amended to apply to the entire chapter and not just Part VI.

Your Committee made technical amendments pursuant to a request from the Legislative Reference Bureau.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1385, 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. 1385, H.D. 2, S.D. 1, C.D. 1.

Senators Holt, Iwase, Anderson.  
Managers on the part of the Senate.

Representatives Pepper, Menor, Kanoho, Saiki, Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 20 on H.B. No. 1790**

The purpose of this bill is to recognize game mammals such as the feral pig for cultural and subsistence purposes.

Your Committee sought to strike a balance between the need to recognize game mammals for cultural and subsistence purposes and the need to protect other natural resources which may be threatened by these mammals. Your Committee was particularly concerned about the impact that certain game mammals may have on the habitats of threatened or endangered species. Therefore, your Committee believed that the recognition of game mammals should be limited to where continued existence of these mammals do not threaten the habitats of threatened or endangered species. At the same time, however, striking this fine balance requires not just any threat to a habitat but rather a substantial threat before game mammals are precluded from being recognized for cultural and subsistence purposes. Your Committee has therefore, inserted the following condition on page 5, line 5:

"where continued existence of these mammals do not pose a substantial threat to essential or critical habitats of threatened or endangered species."

This bill has been further amended to broaden its application by deleting references to specific chapters of the Hawaii Revised Statutes on page 5, lines 4 to 5. This amendment ensures that game mammals may be recognized when consistent with all other laws, including those that may be enacted in the future.

Technical, nonsubstantive amendments were also made for the purpose of clarity.

Finally, your Committee acknowledges the significant role of the feral pig for subsistence purposes. In this regard, your Committee supports efforts to better manage this valuable resource, especially in rural regions of this State that are suffering from economic distress as well as in those areas in which subsistence hunting is an integral part of the residents' lifestyle.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1790, 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. 1790, H.D. 1, S.D. 1, C.D. 1.

Senators Tanaka, Fernandes Salling, Solomon.  
Managers on the part of the Senate.

Representatives Takamine, Shon, Garcia, Tarnas, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 21 on H.B. No. 2013**

The purpose of this bill is to clarify certain provisions relating to the State conservation district by:

- (1) Including references to "state marine waters" in the definition of "conservation district";
- (2) Including special management area permits as one of the grounds for an applicant to request the Department of Land and Natural Resources (DLNR) for an extension before rendering its decision on a conservation district use permit;
- (3) Increasing the extension period from 90-days to not more than 180-days; and
- (4) Authorizing the Board of Land and Natural Resources, on its own motion, to provide for an extension period.

Your Committee remains concerned that the inclusion of "state marine waters" to the definition of "conservation district" might be applied in a manner that could adversely impact commercial harbor and shipping activities. Accordingly, your Committee has amended Section 183C-6(a), Hawaii Revised Statutes, by specifying that, in regulating land use in the conservation district through the issuance of permits, DLNR has no jurisdiction over activities within the commercial harbors.

Technical, nonsubstantive amendments to the bill have also been made for the purposes of style and clarity, and a technical drafting error has been corrected.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2013, 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. 2013, H.D. 1, S.D. 1, C.D. 1.

Senators Iwase, Ige, Anderson.  
Managers on the part of the Senate.

Representatives Takamine, Santiago, Garcia, Nekoba, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 22 on H.B. No. 715**

The purpose of this bill is to toughen the laws regarding driving under the influence of intoxicating liquor or drugs.

This bill, as received by your Committee, would:

- (1) Establish a felony offense for those who are convicted of habitually driving under the influence of intoxicating liquor or drugs;
- (2) Lower the blood alcohol concentration threshold from .10 to .08;
- (3) Reduce the period of administrative license revocation for repeat offenders and arrestees who refuse to be tested;
- (4) Increase the maximum amount of community service hours served and fines imposed for repeat offenders while reducing the period of license suspension and maximum jail time; and
- (5) Eliminate the requirement of providing proof of financial responsibility following an administrative revocation proceeding or first time conviction for driving under the influence.

Your Committee on Conference believes that this measure will send a strong message against driving while intoxicated. Your Committee finds that lowering the blood alcohol concentration from .10 to .08, establishing a felony offense for habitually driving under the influence, and increasing the maximum amount of community service and fines imposed are important steps in strengthening the DUI law.

While your Committee limits the maximum length of jail sentences for repeat offenders to expedite the processing of DUI cases per State v. Lindsey, this is not meant to minimize the seriousness of the DUI offense. In general, a jail sentence is rarely, if ever, imposed until the third DUI offense. Therefore reducing jail time should not have a substantial impact on the length of sentences served.

Your Committee has amended the bill to:

- (1) Amend "blood alcohol concentration" to "alcohol concentration" to include both blood and breath testing;
- (2) Delete language reducing driver license suspension and revocation periods for repeat offenders so that the language of the bill reflects the current statutory language; and
- (3) Make other technical, non-substantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 715, 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. 715, H.D. 1, S.D. 2, C.D. 1.

Senators Gaulty, Fernandes Salling, Tam, Anderson.  
Managers on the part of the Senate.

Representatives Hiraki, Tom, Case, White, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 23 on H.B. No. 87**

The purposes of this bill, as received by your Committee on Conference, are to:

- (1) Provide the counties with the authority to determine the level of traffic violation fines; and
- (2) Revise the requirement that pedestrians violating part VII of the traffic code must present identification upon a police officer's demand.

Your Committee on Conference finds that there must be a balance between the permissible actions of police officers with respect to their interactions with the public, and the need for police officers to obtain accurate information upon citing members of the public for violations of the traffic code.

Your Committee on Conference finds that unlike the requirement that a driver operating a motor vehicle must display a driver's license upon the lawful order of a police officer, it is unreasonable for a police officer to order a pedestrian to

display identification for a violation of the traffic code unless the pedestrian is providing the officer with false information relating to the person's name and address. Thus, if an officer has reasonable grounds to believe that a pedestrian is furnishing inaccurate information with respect to the pedestrian's name and address, such as verification from police dispatch that the information is misleading, the officer may order the pedestrian to produce identification.

This bill designates two subsections to Hawaii Revised Statutes (HRS) section 291C-172. In order to proscribe the permissible actions of police officers with respect to pedestrians, this bill adds subsection (b) which allows police officers to ask pedestrians for identification only when there is reasonable grounds to believe that the pedestrian is acting in a deceptive or misleading manner in providing their name and address.

Your Committee on Conference has amended this bill by:

- (1) Deleting language providing the counties with the authority to set the amount of traffic violation fines; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 87, 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. 87, H.D. 1, S.D. 1, C.D. 1.

Senators Gaulty, Ikeda, Fernandes Salling, McCartney, Tam.  
Managers on the part of the Senate.

Representatives Tom, Takumi, Say, White, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 24 on H.B. No. 181**

The purpose of this bill is to restrict the exemption from the rules and standards concerning fingerprinting as they relate to minors.

Your Committee on Conference finds that the Automatic Fingerprint Identification System (AFIS) has proven to be an effective tool for law enforcement in identifying the perpetrators of criminal acts.

The inclusion of juvenile fingerprints in AFIS provides an important investigative resource to address the increasing rate of juvenile crime.

Your Committee on Conference believes that the current law with respect to juvenile fingerprints is too restrictive. Many times fingerprint evidence in felony as well as non-felony cases, such as car break-ins or thefts involving items of substantial value, is the only link to the perpetrator.

At the same time, a law which would include all juvenile fingerprints in the system, regardless of gravity of the offense, would seem overbroad in light of the purposes and goals of the juvenile justice system.

Under Hawaii's Family Court system, children are treated differently than adults, and your Committee on Conference finds that the public interest can best be served by including within the AFIS system the fingerprints of those juveniles, twelve and over, who have demonstrated a propensity to engage in offenses of a more serious nature.

Your Committee on Conference has, therefore, amended this measure to permit the entry of juvenile fingerprints into AFIS both when a felony-type offense has been committed and also when there has been an act involving theft in excess of \$100 or criminal property damage in excess of \$100.

As a matter of basic fairness, and in accord with the philosophy and goals of the juvenile justice system established in this State, your Committee on Conference believes that children's fingerprints should be purged from the system if they are in fact innocent of the conduct alleged or if the charge against the child is not pursued. The measure has been amended to clarify that it is the Department of the Attorney General that is responsible for purging the records.

Of course, there will be times where a child's fingerprints should remain part of the system even when there is no adjudication as to a particular charge. Such a situation may arise, for example, where there are other charges which have resulted in an adjudication of the minor. For this reason, your Committee on Conference has included language in the measure to prevent purging of the records when there is some other authority for their placement into the AFIS system.

This measure also provides that the Department of the Attorney General is required to purge a juvenile's fingerprint records from AFIS when the person reaches the age of twenty five. Your Committee feels that twenty five is the appropriate age to remove the fingerprints from the system because this is the age at which all other juvenile records are purged.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 181, 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. 181, H.D. 1, S.D. 1, C.D. 1.

Senators Gaulty, McCartney, Tam, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Cachola, Herkes, White, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 25 on H.B. No. 1499**

The purpose of this bill, as received by your Committee, is to amend the law concerning the requirements for filing statements for the disclosure of financial interests.

Presently, candidates for state elective offices or the constitutional convention are required to file disclosure statements by April 30. If their financial interests are substantially the same as the previous disclosure period, only a short form must be filed with the Hawaii State Ethics Commission (Commission).

The present law is ambiguous since the criterion is not clear for determining the substantial similarity between disclosure reports to allow for the filing of a short form rather than a long form and, subsequently causes confusion on the part of candidates as well as the Commission staff who review the disclosures.

Accordingly, your Committee has amended the law by requiring long form disclosure on all even-numbered years and short form disclosure on odd-numbered years if the financial interests of the candidate are substantially similar as the previous disclosure period. This requirement would create a consistency in the filing of long-form disclosure statements in every even-numbered year, which would coincide with election years. The said filing would give the public an opportunity to review a candidate's current financial status prior to the election.

Also, your Committee provided a definition of the term "substantially the same" to refer to no more than ten amendments or changes to the information reported for the preceding disclosure period.

Finally, your Committee extended the filing date from April 30 of each year to May 31 to afford sufficient time for candidates to prepare disclosure forms after the close of the legislative session.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1499, 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. 1499, H.D. 1, S.D. 1, C.D. 1.

Senators Grauly, Chumbley, McCartney, Tam.  
Managers on the part of the Senate.

Representatives Tom, Hamakawa, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 26 on H.B. No. 1853**

The purpose of this bill is to authorize the Hawaii Criminal Justice Data Center (HCJDC) and the agencies acting on the HCJDC's behalf to charge fees for services related to criminal history record information.

The demand for criminal history record information has escalated tremendously in recent years due to increased requests from criminal justice agencies, private entities, and the general public. Your Committee on Conference finds that charging fees for services related to criminal history record information will allow the HCJDC to recoup a portion of the costs associated with providing this information. It is expected that this increased source of revenue will improve the efficiency of the HCJDC in providing timely, accurate, and complete criminal history record information.

This bill exempts child care facilities which are mandated to perform criminal history record checks and non-profit charitable organizations under the Internal Revenue Code section 501(c)(3) from the requirement to pay criminal history record check fees.

Your Committee on Conference is aware of another bill pending before the Legislature which repeals the exemption allowing revolving fund expenditures without legislative appropriation. If this particular bill is passed, the criminal history record improvement revolving fund, which is established pursuant to the instant bill, will not have the requisite authorized appropriation that is necessary for funds to be deposited and expended. Consequently, your Committee on Conference has amended this bill to appropriate moneys from the criminal history record improvement revolving fund.

In addition, technical, non-substantive amendments have been made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1853, 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. 1853, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Grauly, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Say, Swain, M. Oshiro, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 27 on H.B. No. 1857**

The purpose of this bill is to amend the Child Support Enforcement Law to:

- (1) Authorize the Child Support Enforcement Agency (CSEA) to release information on a parent who is at least three months delinquent in child support payments;

- (2) Authorize CSEA to charge a reasonable fee to any consumer reporting agency that requests the information;
- (3) Clarify that a child support order shall be recorded in the Bureau of Conveyances or filed in the Land Court after filing in the Circuit Court; and
- (4) Require the Attorney General to appoint an assistant administrator and a staff attorney.

Upon further consideration, your committee has amended this measure by making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1857, 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. 1857, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Gaulty, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Kanoho, Hamakawa, Ito, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 28 on H.B. No. 2023**

The purpose of this bill is to expand and clarify the class of persons who may file a claim with the Criminal Injuries Compensation Commission (Commission) and to provide for a more efficient and expeditious processing of compensation claims.

This bill broadens the definition of "relative" by including stepchild and stepsibling relations. In the past, claims for expenses incurred by these persons were denied because of the less inclusive definition of "relative".

Additionally, this bill requires the Commission to assign cases to the administrator for a determination of eligibility. Your Committee on Conference believes that the processing time for applicants to be notified of their eligibility and to receive compensation will be reduced by this provision.

Your Committee on Conference notes that because the administrator is the person responsible for making eligibility determinations, there cannot be an appeal to the Commission without first obtaining a ruling from the administrator. Therefore, your Committee on Conference has amended this bill by removing the superfluous language with respect to appeals from the administrator's determination of eligibility.

Technical, non-substantive amendments have also been made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2023, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2023, S.D. 2, C.D. 1.

Senators Ikeda, Gaulty, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Kanoho, Alcon, Yamane, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 29 on H.B. No. 2038**

The purpose of this bill is to consolidate the criminal tax penalties under Title 14 of the Hawaii Revised Statutes.

The bill, as referred to your Committee, provided for an eight year statute of limitations for criminal penalties and omitted the provision of imprisonment for up to three years for making false and fraudulent statements.

Your Committee was of the opinion that eight years may be an excessively lengthy period to commence prosecution and that although six years was in conformance with federal law, a compromise position of providing a seven year statute of limitations would be fair and equitable. This additional one-year period beyond the federal law affords the State the time to gather information and prepare its prosecution.

Accordingly, your Committee amended this bill by changing the statute of limitations to seven years and inserting the provision of imprisonment for up to three years for the purpose of consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2038, 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. 2038, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Gaulty, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 30 on H.B. No. 1244**

The purpose of this bill, as received by your Committee, is to transfer regulatory authority over activity providers and activity desks from the Department of Commerce and Consumer Affairs to the counties.

Specifically, the bill:

- (1) Extends the repeal date of the activity provider and activity desk law to December 31, 1995; and
- (2) Requires the counties, effective January 1, 1996, to adopt ordinances to regulate activity providers and activity desks, including the establishment of fees.

After carefully considering the merits of the bill, your Committee has amended the measure by deleting its substantive contents and inserting a provision that extends the repeal date of the activity provider and activity desk law to June 30, 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1244, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1244, S.D. 1, C.D. 1.

Senators Holt, Iwase, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Takumi, Nakasone, White.  
Managers on the part of the House.

Representative Meyer did not sign the report.

**Conf. Com. Rep. No. 31 on H.B. No. 1977**

The purpose of this bill is to clarify laws pertaining to: safe drinking water; water pollution; noise pollution; solid waste pollution; hazardous waste; underground storage tanks; used oil transport, recycling, and disposal; and asbestos.

Specifically, this bill:

- (1) Conforms state water pollution laws to federal requirements;
- (2) Allows any person to commence a civil suit for alleged violations of air pollution control laws after June 30, 1996;
- (3) Provides that monetary penalties may be imposed through administrative proceedings and civil lawsuits for violations of the aforementioned laws;
- (4) Defines domestic sewage, sewage sludge, and household waste;
- (5) Amends the law pertaining to water pollution to authorize the Director of Health to control management practices, including conditions for permits, for sewage sludge;
- (6) Amends the law pertaining to water pollution to allow the governor or the Director of Health to order any person causing or contributing to the discharge of waste to immediately reduce or stop such a discharge or to reduce, stop, or change the management practice contributing to the practice;
- (7) Amends the law pertaining to water pollution to allow the Director of Health to require management practices among the recordkeeping and monitoring requirements; and
- (8) Amends the laws pertaining to water pollution and used oil transport, recycling and disposal, to establish non-criminal penalties for obstructing inspections.

Your Committee on Conference has amended this bill by:

- (1) Changing the date that allows a person to commence a civil suit for alleged violations of air pollution control laws from after June 30, 1996, to after June 30, 1995;
- (2) Clarifying that Section 4 of the Act shall not apply to violations of permits related to agricultural burnings prior to April 1, 1996; provided further that the governor shall have the discretion to extend this date an additional three months to accomplish the purposes of this Act;
- (3) Retaining the phrase "cease and desist order" for the purpose of clarity and consistency;
- (4) Clarifying that rules adopted pursuant to the statutory chapters being amended shall remain in effect until the rules are amended, repealed, or replaced; and
- (5) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is disappointed that all parties did not bring forward their concerns in a timely fashion, nor did they submit legislation this year. It is the intention of your conferees that work on the renewal of agricultural burning permits shall be completed by January 1, 1996, and that the additional extension is provided only for unforeseen circumstances. Your Committee on Conference shares the concern that the Department of Health could be moving more

rapidly to resolve this issue and is determined that the issue be completely resolved so as to require no further legislation in 1996.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1977, 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. 1977, H.D. 1, S.D. 2, C.D. 1.

Senators Gaulty, Tam, Chumbley, Anderson.  
Managers on the part of the Senate.

Representatives Shon, Tom, M. Oshiro, White, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 32 on H.B. No. 112**

The purpose of this bill is to provide greater openness in the proceedings of the State Ethics Commission (Commission).

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

- (1) Clarifying that the Commission has jurisdiction for the purposes of investigation and taking action on alleged violations within six years of an alleged violation;
- (2) Providing that a public hearing on any violation shall be held within ninety days of the Commission's issuance of a notice of hearing;
- (3) Adding a provision with respect to the filing of frivolous charges; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 112, 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. 112, H.D. 2, S.D. 2, C.D. 1.

Senators Gaulty, Kanno, Matsuura.  
Managers on the part of the Senate.

Senator McCartney did not sign the report.

Representatives Kanoho, Tom, Arakaki, White, Kawananaoka.  
Managers on the part of the House.

**Conf. Com. Rep. No. 33 on H.B. No. 1311**

The purpose of this bill is to allow purchasers of housing from the Housing Finance and Development Corporation (HFDC) to receive, in hardship circumstances, an exemption from the owner occupancy requirement. The bill also encourages HFDC to incorporate starter homes in its affordable housing projects.

Your Committee has amended the bill by:

- (1) Citing specific examples of hardship circumstances;
- (2) Establishing a maximum of ten years for the waiver of the owner occupancy requirement;
- (3) Establishing conditions for the granting of waivers;
- (4) Requiring HFDC to adopt rules to implement the exemption, and specifying issues that these rules must address; and
- (5) 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. 1311, 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. 1311, H.D. 1, S.D. 1, C.D. 1.

Senators Bunda, Chumbley, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Arakaki, Kahikina, Kawananaoka.  
Managers on the part of the House.

**Conf. Com. Rep. No. 34 on H.B. No. 1763**

The purpose of this bill is to expedite the regulatory process relating to the reconstruction, restoration, repair, and use of Hawaiian fishponds.

This bill:

1. Exempts the proposed reconstruction, restoration, repair, and use of Hawaiian fishponds from the requirements of the Environmental Impact Statement (EIS) law upon compliance with seven conditions;
2. Requires the Department of Land and Natural Resources (DLNR) to actively assist applicants applying for permits, certifications, and approvals to reconstruct, restore, repair, and use Hawaiian fishponds;
3. Adds a new section to the water pollution law by requiring:
  - (a) The Department of Health to process applications for permits and water quality certifications for the reconstruction, restoration, repair, and use of Hawaiian fishponds prior to all other permits and certifications; and
  - (b) The Director of Health to render a decision relating to Hawaiian fishponds:
    - (1) On the completeness of any application within thirty days of receipt; and
    - (2) On completed applications within 150 days;

and
4. Amends the conservation district law to require conservation district use permits for the reconstruction, restoration, repair, or reuse of Hawaiian fishponds exempted from the requirements of the EIS law to provide for compliance with the conditions set forth in the new chapter on Hawaiian fishponds.

Your Committee has amended this bill by:

1. Inserting a purpose section;
2. Inserting into the definition of "Hawaiian fishponds" the term, loko pu'uone, as another form of fishponds; and also including a description of loko pu'uone;
3. Allowing traditional recreational activities to take place in fishponds by exempting them from the requirement that fishponds are not to be used for water recreational purposes; and
4. Making technical, nonsubstantive revisions for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1763, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1763, H.D. 3, S.D. 2, C.D. 1.

Senators Ikeda, Aki, Kawamoto, McCartney, Liu.  
Managers on the part of the Senate.

Representatives Arakaki, Santiago, Tom, Kanoho, Kawanakoa.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 35 on H.B. No. 929**

The purpose of this bill is to transfer the Hawaii State Commission on the Status of Women from the Department of Human Services to the Office of the Lieutenant Governor and to reduce the membership of the commission to a more workable number. The bill also excepts the functions of the secretary I position in the transfer of the Commission.

Your Committee has amended this bill by:

- (1) Designating the Hawaii State Commission on the Status of Women as a statewide temporary agency;
- (2) Requiring that the chairperson of the committee shall be elected annually from its nongovernmental members; and
- (3) 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. 929, 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. 929, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Grauly, Baker, Fernandes Salling, Solomon, Anderson.  
Managers on the part of the Senate.

Representatives Chun Oakland, Tom, Kawakami, Saiki, Kawanakoa.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 36 on H.B. No. 1466**

The purpose of this Act is to establish 5.5 positions to maximize the federal reimbursement generated from the various grants provided to the vocational rehabilitation division of the Department of Human Services (HMS 802).

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

- (1) Deleting sections 4, 6, 7, and 8 regarding appropriations;
- (2) Deleting the words "...funding and..." from page 1, line 6;
- (3) Deleting the words "...restricted funding and..." from page 1, line 7;
- (4) Renumbering section 5 as section 4, and section 9 as section 5; and
- (5) Rewording the first sentence of the new section 4 to be: "There shall be established 5.50 temporary positions to the vocational rehabilitation division of the department of human services to restore those positions which were eliminated due to executive action."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1466, 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. 1466, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Aki, Matsuura, Taniguchi.  
Managers on the part of the Senate.

Representatives Chun Oakland, Kawakami, Nekoba, Saiki, Kawananaoka.  
Managers on the part of the House.

**Conf. Com. Rep. No. 37 on H.B. No. 1643**

The purpose of this bill is to extend the "sunset" date of the Hospital and Nursing Facility Tax (Tax) from July 1, 1995, to July 1, 1997. The bill also:

- (1) Requires nursing facility operators to pay the Tax specifically to the Department of Human Services rather than the State;
- (2) Requires revenues from the Tax to be deposited directly to the existing Health Care Revolving Fund (Fund) rather than to the Fund via the general fund; and
- (3) Requires federal Medicaid matching funds to be deposited in the Fund rather than requiring the federal Medicaid matching funds not to become part of the Fund.

Your Committee has amended the bill by retaining the extension of the sunset date, but deleting all other proposed statutory amendments. 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 H.B. No. 1643, 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. 1643, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Matsuura, Aki, Taniguchi.  
Managers on the part of the Senate.

Representatives Chun Oakland, Pepper, Say, Nakasone, Suzuki.  
Managers on the part of the House.

**Conf. Com. Rep. No. 38 on H.B. No. 1834**

The purpose of this bill is to clarify and streamline the provisions of the Hawaii Public Procurement Code (Code), to achieve the objectives of cost-effectiveness and accountability which prompted its adoption.

Your Committee has amended this measure by:

- (1) Clarifying when a state agency may contract with a state employee or legislator;
- (2) Clarifying that the exemption from the Code for the procurement of services relating to the issuance and sale of State bonds includes services relating to the issuance and sale of county bonds as well;
- (3) Clarifying that unless specifically exempt, State agencies may contract for attorney services only with the approval of the Attorney General and waiver of the Governor; and county agencies do not require approval of the Attorney General to contract for attorney services;
- (4) Clarifying that agencies may publish more than one notice inviting persons engaged in providing professional services to submit current statements of qualifications and expressions of interest, and may publish additional notices if previously unanticipated needs for professional services arise;
- (5) Requiring that discussions and negotiations for professional services are to be held confidential;
- (6) Reestablishing mandatory centralized purchasing;

- (7) Repealing the Attorney General's duty to serve as legal counsel to the Procurement Policy Office and the Chief Procurement Officer; and
- (8) Amending the effective date to conform Act 188, Session Laws of Hawaii 1994, with the provisions of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1834, 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. 1834, H.D. 2, S.D. 1, C.D. 1.

Senators Fernandes Salling, Ikeda, Solomon, Tanaka, Taniguchi, Liu.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 39 on H.B. No. 2107**

The purpose of this bill is to establish a revolving fund--the Coffee Inspection Revolving Fund (Fund)--to provide inspection services by the Department of Agriculture (DOA) to ascertain and certify the grade, classification, quality, and condition of fresh and processed coffee.

This bill also requires that the coffee labeling requirement, "contains not less than ten percent Kona coffee," is to appear directly below the selected blend wording on the front panel of the label.

It is the intent of your Committee that the fees for the inspection services cover all costs of inspection and administration of the Fund, including any administrative fees related to the Fund that are assessed by the Department of Accounting and General Services.

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

- (1) Deleting the section with regard to the coffee labeling requirement;
- (2) Inserting the sum of \$1 into the appropriation section;
- (3) Specifying that the coffee growing industry may deposit moneys into the Fund;
- (4) Requiring the DOA to submit a report to the Legislature not later than 20 days before the convening of the 1996 Regular Session and the 1997 Regular Session on the progress and the actions taken to establish the Fund, including a report of the fees collected by the Fund;
- (5) Exempting the fees collected by the DOA pertaining to the Fund from deposit into the general fund, which is specified under Section 147-10, Hawaii Revised Statutes; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2107, 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. 2107, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Morihara, Kawakami, Isbell, Takai, Halford.  
Managers on the part of the House.

**Conf. Com. Rep. No. 40 on H.B. No. 298**

The purpose of this bill is to permit chartered student organizations of the University of Hawaii system that are specifically organized to provide student publications or broadcast services to employ attorneys to provide legal advice or defend the organizations from lawsuits.

Your Committee finds that legal services are not readily available to chartered student organizations in a manner that affords the organizations timely and responsive legal representation and counsel. Chartered student organizations are unable to obtain legal representation and counsel from the Attorney General, because they are not considered to be "agents of the state".

Your Committee finds that this bill is crafted to provide the necessary protection while providing safeguards from abuse. The expenditure for an attorney must be approved by the Board of Regents, and public funds may not be expended for damages from any act or omission of the organization.

Your Committee finds that these organizations may need legal services for the purpose of defending such organizations in any litigation.

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

- (1) Clarifying that attorneys may only be used for the purpose of defending chartered student organizations against litigation;
- (2) Specifying that any chartered student organization specifically organized to provide student publications or broadcast services may also use attorneys to avoid a lawsuit; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 298, 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. 298, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Ige, Iwase, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Lee, Kawakami, Ito, Takai, Halford.  
Managers on the part of the House.

**Conf. Com. Rep. No. 41 on H.B. No. 123**

The purpose of this bill is to provide a reasonable amount of funding from the state highway fund for the establishment of bikeways.

Your Committee on Conference expresses overwhelming support from the legislature for the establishment of bikeways in Hawaii. The state has developed a comprehensive bikeway plan, and funding to initiate construction of bikeways is long overdue.

Rather than set a minimum or maximum amount for bikeway expenditures, your Committee has decided to give the department of transportation discretion to monitor its own bikeway expenditures. The department of transportation will transmit to the legislature an annual report regarding bikeway expenditures and current projects. The legislature reserves the option of revisiting bikeway funding in the event that the department of transportation fails to allocate reasonable funding for bikeways.

Your Committee has amended the bill to:

- (1) Provide language in the purpose clause indicating the legislature's strong commitment to the establishment of bikeways;
- (2) Add language regarding the American Association of State Highway and Transportation Officials criteria for bikeways;
- (3) Delete \$10,000,000 ceiling for bikeway expenditures out of the state highway fund;
- (4) Delete references to county funding and maintenance of bikeways on county roads;
- (5) Require that bikeways be established, whenever practicable, wherever a highway, road, or street is being constructed, reconstructed, relocated, or rehabilitated;
- (6) Delete the section requiring the department of transportation to adopt rules under chapter 91 to carry out the purposes of this section;
- (7) Add a subsection requiring the department of transportation to report annually its bikeway expenditures and current projects to the legislature;
- (8) Change the date this Act shall take effect from July 1, 1995 to July 1, 1996; and
- (9) Make technical, non-substantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 123, 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. 123, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Fernandes Salling, Tanaka, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Hiraki, Say, Isbell, Ito, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 42 on H.B. No. 1919**

The purpose of this bill is to extend the repeal date of Act 190, Session Laws of Hawaii 1994, from June 30, 1996 to June 30, 2000.

Specifically, the bill:

- (1) Extends the repeal date of Act 190, Session Laws of Hawaii 1994, from June 30, 1996 to June 30, 2000. On that date, the insurance examiners revolving fund, the provisions relating to risk-based capital for life and health insurers, and other amendments to the insurance code will be repealed; and
- (2) Upon the repeal of Act 190 on June 30, 2000, the fund will be replaced by the provisions added by Act 280, Session Laws of Hawaii 1993, section 25, which have never become effective. That section provides, among other things, that moneys necessary for the compensation and reimbursement of independent contractor examiners and insurance division staff examiners are to be allocated by the legislature through appropriations out of the state general fund.

After carefully considering the merits of the bill, your Committee has amended the measure by adding provisions that do the following:

- (1) Make the laws pertaining to captive insurers consistent with other provisions in the insurance code by requiring captive insurance companies to meet the same statutory standards imposed upon other insurance companies concerning financial reporting, the penalty for the late filing of financial reports, and the due date for premium taxes;
- (2) Allow the Insurance Commissioner to adopt rules for the implementation of Article 5 of the Insurance Code, which relates to the financial condition of insurers; and
- (3) Allow the Insurance Commissioner to keep confidential any information received from the National Association of Insurance Commissioners or insurance departments of other states.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1919, 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. 1919, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Holt, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Say, Nakasone, Yamane, Thielen.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 43 on H.B. No. 1426**

The purpose of this bill is to specifically exempt from the general excise tax, interest received by a person domiciled outside the state from a resident trust company acting as a trustee on behalf of the issuer of an interest bearing instrument.

This clarifying amendment does not change the Department of Taxation's current practice; therefore, the state will not experience any loss of tax revenue if this bill is implemented.

Your Committee has amended this bill by including "payees" on page 5, line 9 of the bill. This technical change, which the Department of Taxation concurs with, correctly reflects the possible relationships that may exist between a trust company and the issuer or payees of an interest bearing instrument or obligation.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1426, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1426, S.D. 2, C.D. 1.

Senators Ikeda, Holt, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Say, Kanoho, Yoshinaga, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 44 on H.B. No. 1959**

The purpose of this bill is to make the Medical Claims Conciliation Panel (MCCP) program and the Design Professional Conciliation Panel (DPCP) program more self-sufficient by authorizing the assessment of fees for the filing and processing of claims. This bill also changes the filing fees of the DPCP to bring them in line with the MCCP and reduces the amount of compensation to the MCCP and DPCP members.

Currently, the Department of Commerce and Consumer Affairs (DCCA) must bear the burden of administering the MCCP program. The establishment of non-refundable filing fees for the MCCP will help the DCCA to defray administration costs and the requirement of a deposit to pay panel members if a hearing is conducted will enable the MCCP program to become more self-sufficient.

Your Committee upon further consideration has made the following amendments to H.B. No. 1959, H.D. 2, S.D. 2:

- (1) Retained the current level of compensation for panel members;
- (2) Provided for the assessment of \$450 to parties who file claims before the MCCP;
- (3) Provided the Director of Commerce and Consumer Affairs the option of waiving the filing fees for indigent claimants;

- (4) Provided for payment of program costs from the filing fees paid by the claimants;
- (5) Deleted the section that applied the same provisions regarding fees and costs to the DPCP;
- (6) Changed the effective date to the date of approval; and
- (7) Made technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1959, 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. 1959, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Holt, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Say, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 45 on H.B. No. 1208**

The purpose of this bill is to authorize the Director of Finance to invest in:

- (1) Federal Home Loan Bank notes and bonds;
- (2) Federal Home Loan Mortgage Corporation bonds;
- (3) Federal National Mortgage Association notes and bonds; and
- (4) Public funds in mutual fund portfolios comprising bonds or obligations issued or guaranteed by the United States government.

Your Committee has amended this measure by:

- (1) Making the Act effective upon approval; and
- (2) Making technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1208, 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. 1208, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Chang, Ito, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 46 on H.B. No. 1997**

The purpose of this bill is to create the mechanism for enforcing the State Family Leave Law (Chapter 398, Hawaii Revised Statutes).

Your Committee has amended this bill by:

- (1) Further clarifying the definition of "serious health condition" in Section 398-1, Hawaii Revised Statutes, which refers to a physical or mental condition warranting the participation of the employee to provide care during the treatment or supervision by a health care provider; and
- (2) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1997, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1997, H.D. 3, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Yonamine, Tom, Say, Nakasone, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 47 on H.B. No. 2215**

The purpose of this bill is to establish a means to stabilize and ultimately reduce homeowners' insurance costs by authorizing the Director of Finance to secure necessary funds to satisfy the share of liability currently reinsured by the Hawaii hurricane relief fund, and increase the ceiling on the first revenue bond authorization from \$200,000,000 to

\$500,000,000. This bill also amends the workers' compensation law to include police chaplains under the definition of volunteers eligible to receive workers' compensation benefits.

Your Committee finds that the rising cost of homeowners insurance requires corrective action. Since September, 1992, when Hurricane Iniki struck Hawaii, a great number of Hawaii's homeowners have lost their property insurance and premiums have increased three- to fourfold, despite the creation of the Hawaii hurricane relief fund in 1993 for the purpose of encouraging companies to resume writing homeowners insurance policies.

To stabilize and reduce insurance rates, the state should explore alternative sources of funding to satisfy the \$500,000,000 share of liability currently reinsured by the hurricane relief fund.

The hurricane relief fund currently charges approximately \$1.75 per \$1,000 as its rate for hurricane coverage. Upon finding sources of funding to satisfy the hurricane relief fund's liability, premium rates can be stabilized. In addition, the approximate \$80,000,000 a year that is currently collected by the Hawaii hurricane relief fund will no longer be used for the purchase of reinsurance and will be left in the fund to accumulate over time, making Hawaii less vulnerable to rate increases caused by disasters in other parts of the world.

By insulating Hawaii homeowners insurance rates from external factors, the proposal will allow Hawaii to direct its own destiny on this matter, rather than depending on worldwide conditions in the insurance market.

Your Committee revised the bill by:

- (1) Removing the provisions relating to police chaplains;
- (2) Removing the appropriation section;
- (3) Providing that the act shall take effect on July 1, 1995; and
- (4) Making technical, non-substantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2215, 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. 2215, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Holt, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Say, Cachola, Kanoho, Marumoto.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 48 on H.B. No. 792**

The purpose of this bill is to require the Legislative Reference Bureau to study the feasibility of an optional retirement plan for University of Hawaii employees based on a defined employer contribution rate.

Your Committee finds that a careful review of the impact of providing a private retirement plan should be made before the Legislature makes these options available to university employees. The University of Hawaii must compete with many other quality mainland institutions in recruiting top level academicians. Into this equation new professors consider not only salary and employee benefits, but also the quality of life and cost of living factors. Perhaps the availability of an optional retirement plan may make working for the University of Hawaii more attractive. However, the long term and public policy impacts are not certain. The experience of other schools in other states would be useful information to have. By directing this study by the Bureau, your Committee believes this type of information can be collected and analyzed to help the Legislature make a reasoned decision in a future session.

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

- (1) Including in the Legislative Reference Bureau study whether an optional portable retirement plan will enable the University of Hawaii to compete with other quality mainland institutions in recruiting top level academicians;
- (2) Including in the Legislative Reference Bureau study whether equity should be provided;
- (3) Deleting sections 4 and 5, regarding the appropriation for the Legislative Reference Bureau;
- (4) Renumbering section 6 as section 4; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 792, 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. 792, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Lee, Yonamine, Say, Morihara, Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 49 on H.B. No. 111**

The purpose of this bill is to clarify the law regulating lobbyists.

Specifically, this bill:

- (1) Consolidates all provisions regulating lobbyists into chapter 97, Hawaii Revised Statutes;
- (2) Redefines "lobbying" as attempting to influence legislative or administrative actions and ballot issues;
- (3) Adds a third report of lobbying expenditure to the current two required, each covering different periods during a year;
- (4) Raises registration and reporting thresholds to \$750;
- (5) Authorizes the Commission to confidentially investigate suspected noncompliance on its own initiative rather than wait to receive a verified complaint;
- (6) Clarifies the Commission's powers to include authority to prescribe forms, establish procedures, render advisory opinions, issue subpoenas, and make rules; and
- (7) Authorizes assessing an administrative fine of \$1,000 by the Ethics Commission in contested case hearings.

Your Committee has amended this bill by:

- (1) Making the \$750 spending threshold apply to any six month period of reporting, not any month;
- (2) Deleting the language authorizing the Commission to investigate suspected noncompliance on its own initiative; and
- (3) Changing the amount of the administrative fine from \$1,000 to \$500.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 111, 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. 111, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Grauly, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 50 on H.B. No. 471**

The purpose of this bill is to encourage and facilitate further development of the State's telecommunications industry.

Among other things, this bill:

- (1) Requires each telecommunications carrier, upon determination by the Public Utilities Commission (PUC), to provide services on reasonable terms and conditions to entities seeking to provide intrastate telecommunications;
- (2) Includes provisions for establishing a Universal Service Program and a Hawaii Advanced Telecommunications Foundation;
- (3) Requires the PUC to:
  - (a) Ensure that telecommunications number portability within an exchange is available upon request as soon as technically feasible and economically reasonable;
  - (b) Ensure that telecommunications carriers are compensated on a fair basis for termination of services on each other's network;
  - (c) Allow telecommunications carriers pricing flexibility, or provide alternatives to traditional rate-of-return regulation, subject to certain provisions;
  - (d) Ensure that noncompetitive services do not cross-subsidize competitive services;
  - (e) Ensure that consumers are provided with nondiscriminatory, reasonable, and equitable access to high quality telecommunications network facilities and capabilities; and
  - (f) Submit a report to the Legislature regarding competition in the State's telecommunications marketplace;
- (4) Authorizes the PUC to:

- (a) Adopt, amend, or repeal rules to effect the introduction of competition in the State's telecommunications industry within ten days' notice of hearing; and
- (b) Exempt a telecommunications provider or service from the provisions of the PUC Law, except the section relating to the obligations of telecommunications carriers, provided the exemption is in the public interest; and
- (5) Defines "telecommunications carrier" or "telecommunications common carrier", and "telecommunications service" or "telecommunications".

Your Committee finds that the State's regulatory systems are being challenged to keep pace with the rapidly evolving telecommunications industry and technology. To be a viable participant in this expansive industry, statewide access to an advanced telecommunications infrastructure and technology is essential.

The thrust of this bill is to address the issue of competition with regard to the State's telecommunications industry. This bill also provides a means for increased competition within the telecommunications industry among telecommunications carriers. It is your Committee's belief that this bill supports the development of high-tech industries in the State to benefit consumers by facilitating the introduction of advanced services at competitive rates. Your Committee also believes that this bill facilitates in extending telecommunications services to rural and underserved areas, and to public institutions, such as schools, libraries, and health care facilities. This measure also encourages telecommunications carriers to compete in Hawaii's market and provides a base to further emerging technologies such as telemedical services and educational applications.

It is your Committee's intent that increased and broader access by Hawaii residents to a range of telecommunications services will result in increased economic growth for the State, and will enhance public safety, public convenience, and the quality of life for Hawaii's residents. Your Committee believes that it is in the public interest to preserve and promote affordable, universal, and high-quality basic telecommunications services, and therefore provides guidelines for the PUC to use in defining definitions for the terms "affordable," "universal," and "basic" so that the parties affected by this bill will have a clear understanding of the definition and application of these terms. In addition, the PUC in determining a new intrastate local service interconnection tariff may wish to consider factors such as the elimination of the common carrier line charges and other contributions in developing this tariff.

Your Committee also notes the efforts of the parties involved in Docket No. 7702, the communications infrastructure docket, to examine the communications infrastructure of the State and to identify the infrastructure necessary to support the deployment and use of technologies and services in Hawaii. It is your Committee's belief that any efforts to pursue the establishment of an advanced telecommunications infrastructure and to increase telecommunications competition be accomplished in a prudent, orderly, and effective manner.

After lengthy deliberation and consensus, your Committee amended this bill by, among other things:

- (1) Specifying that the provision of services by telecommunications carriers to entities seeking to provide intrastate telecommunications are to be in accordance with conditions and guidelines established by the PUC, rather than upon PUC determination;
- (2) Providing that the current interstate tariff is to be used as the access rate until the PUC can adopt a new intrastate local service interconnection tariff;
- (3) Stipulating that any agreement by telecommunications carriers on provision of services is subject to PUC review;
- (4) Requiring the PUC to preserve and advance universal service, according to certain specifications;
- (5) Authorizing the PUC to expand or modify relevant programs under the Universal Service Program and clarifying the purposes of the Program;
- (6) Including the provision ensuring that all consumers be provided with access, at reasonably comparable rates, to all telecommunications services used by a majority of consumers located in metropolitan areas of the State;
- (7) Authorizing, rather than requiring, the PUC to allow telecommunications carriers to have pricing flexibility and deleting the provision that the PUC provide alternatives to traditional rate-of-return regulation;
- (8) Specifying that rates for basic telephone service and for services that are not effectively competitive are cost-based and remain just, reasonable, and nondiscriminatory;
- (9) Deleting references to:
  - (a) Criteria under the PUC's regulatory flexibility that rates for appropriate levels of contribution be made to public benefit;
  - (b) The Hawaii Advanced Telecommunications Foundation and related references to it; and
  - (c) Rulemaking by the PUC to introduce competition in the State's telecommunications industry;
- (10) Establishing a section relating to "carriers of last resort," whereby:

- (a) The PUC may define and designate local exchange service areas where it has determined that providing universal service funds to a single provider will be the most appropriate way to ensure services for these areas;
  - (b) The PUC is to determine the level of service that is appropriate for each designated local exchange service area and shall invite telecommunications providers to bid for an appropriate level of service; and
  - (c) The Universal Service Fund is to provide service drops and basic service at discounted rates to public institutions;
- (11) Including under the Universal Service Fund:
- (a) Requiring the PUC to adopt rules regarding the distribution of moneys from the Universal Service Fund, including reimbursements to carriers for providing reduced rates to certain carriers; and
  - (b) Authorizing the PUC to allow distribution of funds directly to customers based upon a need criteria established by the PUC;
- (12) Providing definitions for "designated local exchange service area", "carrier of last resort", and "underserved areas";
- (13) Including "telecommunications carrier" or "telecommunications common carrier" under the "public utility" definition of the PUC Law; and
- (14) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 471, 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. 471, H.D. 2, S.D. 1, C.D. 1.

Senators Fukunaga, Holt, Ikeda, Iwase, Solomon, Liu.  
Managers on the part of the Senate.

Senator Ige did not sign the report.

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

Representative Meyer did not sign the report.

**Conf. Com. Rep. No. 51 on S.B. No. 1868**

The purpose of this bill is to establish a mechanism for the recodification of the education statutes to reflect recent systemic education reform initiatives of the past several years. Specifically, the bill establishes an interim statutory revision study group to be co-chaired by the chairpersons of the senate committee on education and the house of representatives committee on education. The interim study group will include representatives from the constituency of the public school community, and the study group may request the assistance of educational consultants and legislative staff, including the legislative reference bureau. Further, the interim study group, with the assistance of the legislative reference bureau, is requested to apply a proposed organizational framework to the existing education statutes and submit proposed legislation based upon the framework prior to the 1996 regular session.

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

- (1) Requesting the legislative reference bureau to apply the organizational framework to the existing statutes;
- (2) Requesting that the interim study group, with the assistance of the legislative reference bureau, create such further subdivisions as is deemed necessary for proper statutory construction; and
- (3) Requesting that the legislative reference bureau submit a report of findings and recommendations along with proposed legislation to the co-chairs prior to the convening of the 1996 regular session.

Your Committee notes that these amendments clarify that the legislative reference bureau shall be placed in a role of assisting and advising the interim study group.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1868, 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. 1868, S.D. 1, H.D. 1, C.D. 1.

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

Representatives Stegmaier, Kanoho, Morihara, Tarnas, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 52 on S.B. No. 15**

The purpose of this bill is to expedite the state land use decision-making process.

This bill would require the State Land Use Commission (LUC) to approve, deny, or modify a land use petition no later than one year after a petition is filed with the LUC, except if the petition involves an intervenor, or if a time extension is stipulated by the parties.

Upon further consideration, your Committee finds that the LUC should be able to extend the one year decision-making deadline only upon a two-thirds vote of the members of the LUC for a period not to exceed ninety days, and has amended this bill accordingly.

Your Committee has also amended this bill to require that the LUC promulgate rules to effectuate the purpose of the Act, and to change the effective date of section 1 of the bill to December 31, 1995, in order to give the LUC time to promulgate the rules.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 15, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 15, H.D. 1, C.D. 1.

Senators Iwase, Tanaka, Anderson.  
Managers on the part of the Senate.

Representatives Takamine, Nekoba, M. Oshiro, Tarnas, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 53 on S.B. No. 500**

The purpose of this bill is to eliminate the requirement for petroleum marketers to install new devices which automatically and continuously compensate for volumetric changes in fuels due to temperature fluctuations during non-bulk sales.

Specifically, the bill:

- (1) Prohibits manufacturers, jobbers, and retailers from intentionally:
  - (A) Affecting the temperature of liquid petroleum products to benefit from the effects of thermal expansion and contraction; and
  - (B) Scheduling the delivery of liquid petroleum products to benefit from the effects of thermal expansion and contraction;
- (2) Requires that metered sales of liquid petroleum that have a rated capacity of two hundred gallons per minute or more utilize a device which automatically compensates for temperature fluctuations during dispensation;
- (3) Requires that partial compartment or partial tank truck deliveries be dispensed through a meter that meets the requirements specified in rules adopted by the Department of Agriculture; and
- (4) Establishes a civil penalty for violations of the above referenced prohibitions.

Your Committee finds that, as with other products in liquid form, liquid petroleum products are affected by thermal expansion and contraction. The expansion and contraction of the product affects the accuracy in which meters measure the amount of product that is dispensed. Automatic Temperature Compensating (ATC) devices account for the thermal expansion and contraction of the product being dispensed, thereby resulting in more accurate product measurements.

However, your Committee finds that:

- (1) Currently, all liquid petroleum products dispensed at refinery racks are continuously compensated for the effects of thermal expansion and contraction by ATC devices;
- (2) Most refinery racks deliver liquid petroleum products at rates between four hundred and six hundred gallons per minute;
- (3) Typically, gasoline pumps at retail service stations dispense gasoline at a rate of ten gallons per minute;
- (4) The effects of thermal expansion and contraction is compensated for at the gasoline pumps by using a formula that adjusts the measurement of gasoline to the sixty degree standard;
- (5) The temperature in Hawaii is predictable, with little variation compared to the mainland United States;
- (6) The cost of installing ATC devices at gasoline pumps would be prohibitively high, between \$1,225 and \$4,800 per pump; and
- (7) Even under the most extreme temperature variations, if ATC devices are required at gasoline pumps, the typical benefit/loss to a consumer or reseller would be insignificant.

In light of the aforementioned information, your Committee believes that the costs of requiring liquid petroleum products delivered at a rate less than two hundred gallons per minute to be continuously compensated for temperature

fluctuations by using ATC devices far exceeds the potential benefits to the consumer, and the consumer will ultimately pay for the cost increase, while enjoying very little or no increase in benefits.

Upon further consideration, your Committee has amended the bill by deleting the proposed language contained in section 2 of the bill and making technical, stylistic amendments which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 500, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 500, H.D. 1, C.D. 1.

Senators Kanno, Baker, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Cachola, Garcia, Hamakawa, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 54 on S.B. No. 424**

The purpose of this bill, as received by your Committee, is to establish a pilot program for the expansion of Aikahi elementary school.

Upon further consideration, your Committee has amended this bill by deleting the House draft and substituting therefor the Senate draft which establishes an interim study group to develop legislation to permit the department of education to enter into lease agreements for the acquisition of public school facilities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 424, 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. 424, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, Chumbley, McCartney.  
Managers on the part of the Senate.

Representatives Stegmaier, Say, Kanoho, Tarnas, Halford.  
Managers on the part of the House.

**Conf. Com. Rep. No. 55 on S.B. No. 995**

The purpose of this bill, as received by your Committee, is to transfer the responsibility for licensing private schools and certifying private school personnel from the department of education to a private school licensing and certification commission established as a nonprofit entity.

Upon further consideration, your Committee finds that the licensing and certifying of private schools and their personnel has been a ministerial function of the department of education which should now be assumed by the private school community, especially in light of the State's limited resources. Your Committee further finds that the decision to send a child to a private school is an individual choice, and thus the regulation of private schools and their personnel should be monitored by the constituency of the private school community.

Your Committee, therefore, has amended this measure by deleting the contents of the House Draft No. 2 and inserting provisions which repeal the department of education's responsibility for certification of private schools and private school teachers under chapters 297 and 298, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 995, 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. 995, S.D. 1, H.D. 2, C.D. 1.

Senators Chumbley, Tam, Bunda.  
Managers on the part of the Senate.

Representatives Stegmaier, Menor, Cachola, Takai, Halford.  
Managers on the part of the House.

**Conf. Com. Rep. No. 56 on S.B. No. 1320**

The purpose of this bill is to reduce the use of herbicides by requiring governmental agencies responsible for the maintenance of public roadsides to adopt nonchemical and integrated vegetation management programs whenever possible.

Your Committee on Conference amended the bill by:

- (1) Expressing the legislature's desire that herbicide usage be reduced by twenty-five percent by 1996, and by fifty percent by 1997;
- (2) Stating the conditions when herbicides may be used;
- (3) Requiring the State and counties to report to the legislature biennially on their integrated vegetation programs; and
- (4) Making other nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1320, 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. 1320, S.D. 1, H.D. 2, C.D. 1.

Senators Fernandes Salling, Solomon, Taniguchi, Tam.  
Managers on the part of the Senate.

Representatives Shon, Hiraki, Isbell, Santiago, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 57 on S.B. No. 1577**

The purpose of this bill is to authorize the Department of Taxation, through the adoption of rules, to require every person who files a tax return for any tax to remit such taxes by electronic funds transfer. This bill also allows any person who is not required to remit taxes by electronic funds transfer to elect to do so with the approval of the Director of Taxation.

Your Committee finds that this bill will reduce the "float" period, which is the period from the time a taxpayer mails a check to the time the Department of Taxation deposits the check, thereby enabling the Department to earn additional interest income that is currently being lost.

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

- (1) Specifying that the electronic funds transfer requirement be imposed only on those persons whose tax liability for any one taxable year exceeds \$100,000; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1577, 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. 1577, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Kawamoto, Solomon, Taniguchi, Liu.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 58 on S.B. No. 807**

The purpose of this bill is to clarify the requirements for drug prescription labels.

Your Committee believes that consumers should have the option of having prescription drug labels printed with the symptom or condition for which the drug is being prescribed. This bill, as amended, provides for procedures to effectuate the exercise of that option in a manner to protect the consumer's right to not have the symptom or condition listed on the label. Your Committee has amended this bill accordingly.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 807, 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. 807, S.D. 1, H.D. 1, C.D. 1.

Senators Holt, Iwase, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Yoshinaga, Thielen.  
Managers on the part of the House.

Representatives Herkes and Yamane did not sign the report.

**Conf. Com. Rep. No. 59 on S.B. No. 1161**

The purpose of this measure is to allow savings banks, under limited circumstances, to invest in securities of or any other interest in any investment company or investment trust registered under federal law.

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

- (1) Inserting a sunset provision effective September 1, 1996; and
- (2) Making a technical amendment to conform with proper statutory construction.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1161, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1161, H.D. 1, C.D. 1.

Senators Holt, Ihara, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Case, Yoshinaga, Thielen.

Managers on the part of the House.

Representative Cachola did not sign the report.

**Conf. Com. Rep. No. 60 on S.B. No. 87**

The purpose of the bill is to raise from \$5,000 to \$10,000 the maximum bail amount by which a pretrial inmate may be eligible for release under the emergency release program established in 1994.

Additionally, this measure requires the director of public safety to notify the prosecuting attorney of an inmate's release, and extends the repeal date of the emergency release program from 1995 to 1997.

Your Committee recognizes the State's need to address the serious problem of prison overcrowding. The intent of this measure is to ease overcrowding and avoid future federal intervention by offering release to certain pretrial inmates. Further federal action could cause the undesired release of convicted criminals and, moreover, invite harsh fines against the State, ironically impairing even more the State's ability to build new prisons to alleviate overcrowding.

Your Committee views this measure as a temporary solution, and does not advocate the release of persons accused of serious, violent crimes. Releasing selected, non-violent pretrial inmates presents a practical short-term solution to prison overcrowding until more prisons can be built.

Accordingly, after full and free discussion, your Committee has amended this bill by shortening the extended repeal date of the release program from June 30, 1997 to June 30, 1996.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 87, 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. 87, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, Chumbley, McCartney, Tam.  
Managers on the part of the Senate.

Representatives Tom, McMurdo, Case, White.  
Managers on the part of the House.

**Conf. Com. Rep. No. 61 on S.B. No. 158**

The purpose of the bill is to hold parents of minors who are found responsible for graffiti damage jointly and severally liable for the damage, and to give counties the authority to impose civil fines on minors and their parents for graffiti damage.

Your Committee on Conference finds that graffiti has become a serious community concern. The problem has grown to the point where significant community resources and individual time must be dedicated for clean-up purposes on a regular basis.

This measure will enable the counties to impose civil fines up to \$1000 or may be equal to the actual cost of having the damaged property repaired or replaced. Further, the bill provides that, in instances involving minors, a parent or guardian having custody over the minor will be held jointly and severally liable with the minor for any civil fines imposed. Your Committee believes that civil fines will serve as a deterrent to such activity and will enable the counties to recoup losses sooner than through criminal prosecutions.

Your Committee has amended the bill by deleting the proposed language adding a new section to chapter 577, HRS, because that language is contained in H.B. 819, H.D. 1, S.D. 1, C.D. 1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 158, 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. 158, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, McCartney, Tam, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Swain, White, Yoshinaga, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 62 on S.B. No. 159**

The purpose of the bill is to extend the sunset provision of the expedited sentencing law.

Act 316, Session Laws of Hawaii 1993 created an expedited sentencing procedure in intra-family sexual assault cases. The intent of the legislation was to provide an additional option within the criminal justice system for the handling of these cases in a manner which would concentrate on the needs of the child victim.

Your Committee on Conference finds that the expedited sentencing program has been a viable alternative in a small number of select cases and that it should continue to be available within the criminal justice system. However, your Committee on Conference believes that there is insufficient basis from which to determine whether the program should be made permanent. Your Committee on Conference has amended the bill to extend the sunset date to June 30, 2001.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 159, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 159, H.D. 1, C.D. 1.

Senators Grauly, McCartney, Tam.  
Managers on the part of the Senate.

Representatives Tom, Herkes, Swain, White, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 63 on S.B. No. 288**

The purpose of this bill is to prohibit the intentional harassment of or interference with hunters engaged in lawful activity.

Your Committee finds that licensed hunters and fishermen should be entitled to protection from intentional harassment when engaged in the lawful taking of fish and game. Your Committee finds that this bill is crafted to avoid penalizing unintentional conduct.

Your Committee has amended this bill by making it an offense to enter or remain on public or private land or waters without the permission of the owner or the owner's agent with the intent to violate the harassment prohibition. Your Committee has also established a parallel prohibition in chapter 188, Hawaii Revised Statutes, to protect fishermen, as the previous draft only referenced licenses obtained under section 183D-21, Hawaii Revised Statutes, which covers birds and mammals, but not fish.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 288, 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. 288, S.D. 1, H.D. 2, C.D. 1.

Senators Grauly, Chumbley, Matsuura, Anderson.  
Managers on the part of the Senate.

Representatives Takamine, Santiago, Shon, Tom, Anderson.  
Managers on the part of the House.

Representative Shon did not concur.

**Conf. Com. Rep. No. 64 on S.B. No. 868**

The purpose of this bill is to extend the non-medicaid personal care program from June 30, 1995 to June 30, 1997.

Your Committee finds that extension of this program will enable many individuals who are not eligible for medical assistance but require personal care services, including the disabled, chronically ill, and frail elderly, to receive needed medical support services. Your Committee further finds that extension of this program will result in increased cost savings by diverting a number of individuals in this gap group from placement in intermediate care and other facilities at greater public expense.

Upon further consideration, your Committee has amended this bill by changing the effective date from upon its approval to June 29, 1995, and by deleting that portion of the bill that would have reenacted Act 209, Session Laws of Hawaii 1988 as of June 30, 1995, thereby restoring the bill to the H.D. 1 version. Your Committee finds that the bill, as so amended, eliminates the ambiguities otherwise caused by those provisions that have been modified.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 869, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 869, H.D. 2, C.D. 1.

Senators Grauly, McCartney, Matsuura, Anderson.  
Managers on the part of the Senate.

Representatives Chun Oakland, Say, Kawakami, Saiki, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 65 on S.B. No. 889**

The purpose of this bill is to expand the powers and duties of the stadium authority to include the planning, promotion, and marketing of the stadium and its related facilities.

Upon further consideration, your Committee has amended this measure by deleting the salary increases of the stadium manager and deputy stadium manager.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 889, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 889, S.D. 2, H.D. 3, C.D. 1.

Senators Ikeda, Tanaka, Iwase, Solomon, Liu.  
Managers on the part of the Senate.

Representatives Takamine, Cachola, Say, Garcia, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 66 on S.B. No. 1254**

The purpose of this bill is to authorize several changes to the notary law.

More specifically, this bill authorizes a notary to sign for a person unable to do so because of a disability, provided certain safeguards are taken on that person's behalf such as a medical certification of disability. Other changes include: requiring notaries to enter specific types of information into the notary book for each official act; increasing the fees charged by a notary from \$4 to \$5; and requiring the acknowledging person to produce a current identification card or document issued by the United States, the State of Hawaii, or another state, or a national government that contains the bearer's photograph and signature.

Your Committee finds that the changes to the law made by this bill will make the notary process more efficient and improve accountability for notaries.

Upon further consideration, your Committee has amended this bill by deleting the requirement that the notary must be satisfied that the person understood the contents of the document because this places too high a burden on the notary to determine whether the person truly understood the document. Your Committee has also amended this bill by deleting the requirement that the doctor's written certificate (certifying the person's inability to sign or make a mark because of disability) is notarized. Your Committee finds that a simple certificate stating the need should suffice given a physician's generally accepted credibility and usual busy schedule.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1254, 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. 1254, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, McCartney, Matsunaga.  
Managers on the part of the Senate.

Representatives Tom, Chun Oakland, White, Yoshinaga, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 67 on S.B. No. 1560**

The purpose of the bill is to require the Liquor Commission to notify by mail owners and lessees situated within five-hundred feet of the premises of a public hearing regarding the transfer of certain types of liquor licenses.

Your Committee on Conference finds that the bill will provide neighborhoods with better, more reliable notice of hearings involving a possible change in the character of a neighborhood when a liquor license is being transferred.

Your Committee on Conference has amended the bill to provide that class 5 and 11 licensees shall comply with the notice requirements set forth in section 281-57, HRS, when applying for a transfer of a liquor license. Class 5 licensees include standard bars, strip bars, entertainment bars, and hostess bars. A class 11 licensee includes cabaret establishments.

Your Committee on Conference believes that it is reasonable to require these types of establishments to give notice to owners and lessees of a neighborhood when applying for a transfer of a liquor license while not requiring certain retail establishments such as the "mom and pop" type stores to do so.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1560, 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. 1560, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, Fernandes Salling, Tam.  
Managers on the part of the Senate.

Representatives Takumi, Menor, Tom, Ito, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 68 on S.B. No. 1568**

The purpose of the bill is to amend the bulk sales law so that it applies not just to sales but to transfers as well.

Your Committee on Conference recognizes that under current law, sellers are allowed to complete a transaction or transfer assets and receive a bulk sales certificate, even though delinquent taxes are owed to the State. The bill provides that the department shall not issue a bulk sales certificate if a tax return of the seller is being examined by the department.

Your Committee on Conference has amended the bill by providing that a wilful failure to make the report required of the seller is a misdemeanor subject to a fine of not more than \$5,000 for both an individual and a corporation rather than \$25,000 for an individual and \$100,000 for a corporation. Your Committee on Conference has also deleted the provision for an unlimited statute of limitations because existing law already provides for this.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1568, 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. 1568, S.D. 2, H.D. 2, C.D. 1.

Senators Gaulty, Holt, Matsuura.  
Managers on the part of the Senate.

Representatives Tom, Say, Case, Kawakami, Kawananakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 69 on S.B. No. 1642**

The purpose of this bill is to establish criminal penalties for a person operating a recreational vessel in state waters while under the influence of intoxicating liquor.

Your Committee on Conference recognizes that Hawaii is one of only eight states which does not have legislation addressing the operation of recreational vessels in state waters while under the influence of intoxicating liquor. This bill is intended to correct this deficiency.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision that under .05 or less grams of alcohol per one hundred milliliters or cubic centimeters of blood or .05 or less grams of alcohol per two hundred ten liters of defendant's breath created a presumption that the defendant was not under the influence; and the provision that a blood alcohol level falling between the level of presumptive non-intoxication and the level of presumed intoxication was competent evidence as to whether or not the defendant was under the influence;
- (2) By deleting reference to a "phlebotomist" as a person qualified to draw blood;
- (3) By deleting the definition of "motorboat" as it is redundant; and
- (4) By deleting the provision relating to mandatory testing in the event of a collision which authorized police to request blood tests when there is probable cause to believe the defendant committed manslaughter or negligent homicide with a motor vehicle.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1642, 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. 1642, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, Fernandes Salling, Chumbley, Matsuura.  
Managers on the part of the Senate.

Representatives Santiago, Tom, Garcia, Swain.  
Managers on the part of the House.

Representative Anderson did not sign the report.

**Conf. Com. Rep. No. 70 on S.B. No. 596**

The purpose of this bill is to provide the funds for a home construction and improvement loan program for the residents of Maunaloa, to authorize the department of land and natural resources to negotiate for the transfer of lands to the office of Hawaiian affairs (OHA), and to exempt the Maunaloa subdivision from all state and county subdivision and housing development standards.

The residents of Maunaloa live in substandard housing, and have not been able to upgrade or rebuild their homes since they are unable to qualify for loans due to substandard infrastructure and because they do not own the land.

Your Committee on Conference empathizes with the plight of the residents of Maunaloa. However, due to the austere fiscal constraints faced by the State of Hawaii, there are no state funds that can be appropriated at this time for home construction and loan programs for the residents of Maunaloa.

In light of this, your Committee on Conference has amended this bill by deleting all appropriation related items.

It is your Committee's intent and hope that the bill as amended will assist the residents by allowing the negotiation of land transfer to the office of Hawaiian affairs as your Committee feels that the needs of the residents will be best met by OHA, and by exempting the residents from all state and county subdivision and housing development standards to aid the residents in possibly attaining loans from financial institutions.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 596, 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. 596, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Bunda, Chumbley, Holt, Liu.  
Managers on the part of the Senate.

Representatives Arakaki, Say, Ito, Kawananakoa.  
Managers on the part of the House.

Representative Saiki did not sign the report.

**Conf. Com. Rep. No. 71 on S.B. No. 385**

The purpose of this bill is to provide that welfare fraud constitutes the criminal offense of theft.

Your Committee is aware that welfare fraud has become a serious problem in recent years, with food stamps being traded or sold for money, drugs, and alcohol. This activity perpetuates the abusive practices by individuals within the welfare system who frequently operate with little or no fear of prosecution.

Currently, all offenses identified in section 346-34, Hawaii Revised Statutes, are classified as misdemeanors without regard to food stamp abuse. The department of the attorney general has stated that it presently prosecutes certain welfare fraud cases pursuant to the theft statutes, which are based on the monetary amount of the public assistance benefits fraudulently obtained.

Your Committee believes that section 346-34, Hawaii Revised Statutes, should be clarified to provide for specific criminal penalties based upon the monetary amount of the food stamps involved, rather than relying on the theft statutes.

Your Committee notes that food stamp trafficking necessarily involves a buyer and a seller and that both should be prosecuted equally. However, current law applies only to sellers.

Your Committee has amended this bill to add a new subsection to section 346-14, Hawaii Revised Statutes, to provide that the illegal buying of food stamps or coupons constitutes welfare fraud. Your Committee has also provided that food stamp fraud shall be a class C felony if the value exceeds \$300 and a class B felony if the value exceeds \$20,000. All other welfare fraud offenses remain misdemeanors.

Your Committee has deleted section 2 of the bill on concurrence of the attorney general because it is no longer necessary in view of the above amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 385, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 385, H.D. 2, C.D. 1.

Senators Gaulty, Matsunaga, Matsuura, Tam.  
Managers on the part of the Senate.

Representatives Chun Oakland, Tom, Case, Kahikina, Kawanakoa.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 72 on S.B. No. 887**

The purpose of this bill is to propose an amendment to Article VII, section 11 of the Constitution of the State of Hawaii to repeal the exception that permanently prevents the lapsing of unencumbered general obligation bond funds which are deemed necessary by the legislature to qualify for federal aid financing and reimbursement.

Your Committee has amended this bill by correcting a technical error in drafting. The introductory sentence to section 1 of this bill has been amended by replacing the incorrect citation to "Article V, section 10" of the Constitution with the correct citation to "Article VII, section 11".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 887, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 887, H.D. 1, C.D. 1.

Senators Ikeda, Baker, Liu.  
Managers on the part of the Senate.

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

#### **Conf. Com. Rep. No. 73 on S.B. No. 1521**

The purpose of this bill is to safeguard the use of physician-specific aggregate data by excluding this data from discovery or admission into evidence during a judicial or administrative proceeding.

Your Committee on Conference believes that there are increasing demands for public accountability of the medical profession, particularly for consumers, corporate purchasers of health care, and publicly supported health programs. Consumer advocates, health care providers, health insurance companies, and governmental entities also want information related to quality and costs of care provided by both hospitals and physicians in order to make informed purchasing decisions. In order to encourage the proper use of data collected for valid purposes, the safeguards contained in this bill are needed to protect the confidentiality of individuals and prevent the misuse of data.

Your Committee on Conference has made a number of minor amendments to clarify the intent of this measure. In particular, your Committee on Conference has amended this bill by deleting the requirement that health care data be disclosed to the department of health, because this has nothing to do with discovery proceedings. Your Committee on Conference made other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1521, 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. 1521, S.D. 2, H.D. 1, C.D. 1.

Senators Gaulty, Matsunaga, Matsuura, Levin.  
Managers on the part of the Senate.

Representatives Tom, Herkes, Saiki, White, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 74 on S.B. No. 287**

The purpose of this bill is to provide for the transition of agricultural water systems of plantations that are ceasing sugar operations, by requiring the Board of Agriculture to plan for this transition and authorizing it to acquire and manage these systems.

Your Committee has agreed that this bill should revert to its original form. Upon discussion with the Department of Agriculture, your Committee has omitted the appropriation sections because there is no need to issue revenue bonds for fiscal year 1995-1996, or to expend any amounts.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 287, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 287, H.D. 1, C.D. 1.

Senators Ikeda, Iwase, Holt, Ige, Anderson.  
Managers on the part of the Senate.

Representatives Takamine, Say, Nekoba, M. Oshiro, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 75 on S.B. No. 1905**

The purpose of this bill is to create a temporary state facilities innovation task force to plan a pilot child care/park and ride project at Aloha Stadium.

All members sitting on the task force, except for two, are from the public sector. Given the current fiscal situation, your Committee has deleted the appropriation sections of this bill. Your Committee finds that this study is needed, and should not be delayed due to a lack of funds. Your Committee also recommends that the task force draw on the expertise of its members to complete the study.

Your Committee has also amended the bill to specify that the community representative task force member is to be selected by the chairperson of the task force.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1905, 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. 1905, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Iwase, Holt, Ige, Anderson.  
Managers on the part of the Senate.

Representatives Chun Oakland, Hiraki, Say, Kahikina, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 76 on S.B. No. 6**

The purpose of this bill is to streamline the procedures for the collection and payment of child support.

In particular, this bill requires that the child support enforcement agency adopt rules by July 1, 1996, that utilize alternative child support collection and disbursement methods, and use those methods that result in the most expedient receipt of child support by the custodial parent. The bill also requires the court to approve a written agreement between the obligor and custodial parents to allow direct payments from the obligor parent to the custodial parent, and establishes conditions for such an agreement. In addition, the bill requires that the agency disburse amounts to the obligee parent within three, rather than five, working days after receipt of amounts withheld by an employer pursuant to an income withholding order, provided that the agency may extend the disbursement date in the event of a natural disaster or other extraordinary incident rendering disbursement impossible.

Your Committee finds that many custodial parents in Hawaii often receive late disbursements of child support payments from the agency, resulting in great hardship to these parents and their children. While your Committee recognizes the need to streamline the procedures for the collection and payment of child support, however, your Committee believes that the agency should continue to collect and disburse child support payments when required by court order, rather than allow the obligor and custodial parents to contract separately between themselves. Your Committee finds that reducing the number of working days for the processing child support payments, as well as requiring the agency to adopt rules to use alternative collection and disbursement methods such as electronic fund transfers and direct deposit of funds to a custodial parent's account, will significantly reduce the processing time for disbursement of child support payments to custodial parents.

In addition, your Committee finds that the agency is incorporating electronic fund transfer capabilities into its new child support enforcement automated system, which is scheduled for statewide implementation by the federally mandated deadline of October 1, 1995. Because the agency's computer system will be operational in October, 1995, your Committee has moved up the deadline for the adoption of rules requiring the agency to use alternative child support collection and disbursement methods from July 1, 1996 to January 1, 1996.

Accordingly, your Committee has amended this bill by:

- (1) Adding to the requirement that the court approve a written agreement between the obligor and custodial parent to allow direct payments from the obligor parent to the custodial parent the requirement that this written agreement be made no later than the court hearing that initially establishes the amount of child support payments required;
- (2) Requiring the child support enforcement agency to adopt rules by January 1, 1996, rather than July 1, 1996;
- (3) Decreasing the processing deadline requiring employers receiving an income withholding order to transmit amounts withheld to the agency from five to three working days;
- (4) Requiring the agency to disburse amounts to the obligee parent within two, rather than three, working days after receipt of amounts withheld by an employer pursuant to an income withholding order, and allowing for an extension of the disbursement date when it is rendered "impracticable", rather than "impossible"; and
- (5) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 6, 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. 6, S.D. 1, H.D. 1, C.D. 1.

Senators Grauly, McCartney, Matsunaga.  
Managers on the part of the Senate.

Representatives Tom, White, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 77 on S.B. No. 431**

The purpose of this bill is to increase penalties for repeated acts of harassment by stalking.

Specifically, the bill amends section 711-1106.5, Hawaii Revised Statutes, to make a first offense of harassment by stalking a petty misdemeanor, a second offense a misdemeanor, and a third offense a class C felony. The bill also requires counseling for an offender placed on probation and notice to the victim if a defendant is released pretrial and provides immunity from liability for failure to make reasonable attempts to notify the victim.

Your Committee finds that a stalker's behavior frequently is characterized by a series of progressively more serious acts aimed at the same victim. Accordingly, your Committee believes it is necessary to provide for enhanced penalties in such instances to deter such behavior and to protect the public safety.

Accordingly, your Committee has amended this bill to create a new section providing for a class C felony offense of aggravated harassment by stalking. A person commits the offense of aggravated harassment by stalking if a person, who has previously been convicted of the offense of harassment by stalking, commits another offense of harassment by stalking that involves the same victim and the actions constituting that offense are in violation of either:

- (1) An existing court order, other than one issued ex parte, restraining the same person from contacting, threatening, or physically abusing the same victim; or
- (2) A condition of probation or pretrial release involving the same victim.

Your Committee also has deleted the amendments to section 711-1106.5, HRS, concerning elevation of offenses, counseling and notice requirements, and immunity from liability, and has renumbered the remaining sections consecutively.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 431, 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. 431, S.D. 1, H.D. 1, C.D. 1.

Senators Grauly, McCartney, Matsunaga.  
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Tom, White, Yamane, Kawanakoa.  
Managers on the part of the House.

Representative McMurdo did not sign the report.

**Conf. Com. Rep. No. 78 on S.B. No. 1286**

The purpose of this bill is to clarify the present law regarding restrictions on post employment of legislators and state employees.

Specifically, the bill separates the prohibitions for legislators and state employees into separate subsections of the statute, clarifies what action is being prohibited, and adds a definition of the term "represent".

Under present law, a former legislator or state employee is prohibited from assisting or representing any individual or business for a fee or other consideration on matters in which the former legislator or employee participated or in matters involving official action by the legislature or the person's former agency for twelve months after leaving a state position.

Your Committee on Conference finds that although such prohibitions are necessary to instill public confidence in elected officials and state employees, clarification of the law is needed to avoid ambiguity and misunderstanding of the applicability and scope of the law.

Your Committee on Conference has amended the bill by:

- (1) Adding a new subsection (e) exempting the application of the section to persons who are employed by the State for six months or less;
- (2) Designating the added definitional language as subsection (f); and
- (3) Making 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. 1286, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1286, H.D. 1, C.D. 1.

Senators Gaulty, McCartney, Kanno.  
Managers on the part of the Senate.

Senator Matsunaga did not sign the report.

Representatives Tom, Cachola, Herkes, White, Kawanakoa.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 79 on S.B. No. 84**

The purpose of this bill is to provide a civil remedy for damages to persons injured as a result of illegal drug use by allowing a plaintiff to recover from persons who knowingly distribute or participate in the chain of distribution of an illegal drug.

Persons given causes of action against drug dealers under this bill would include the parents of a minor whose drug use has injured that child in some way, drug babies, insurers who pay for drug treatment for addicted persons, and others. The point is to make those who cause injury to others through trading in illegal drugs to pay for that injury. Your Committee finds it both just and appropriate to bring the civil litigation system to bear against illegal drug dealers for the benefit of victims of crime.

Your Committee has amended this bill by inserting a severability clause as section 4 and renumbering the remaining section. A few technical, nonsubstantive corrections, have also been made.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 84, 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. 84, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, McCartney, Matsunaga.  
Managers on the part of the Senate.

Representatives Tom, Menor, White, Yoshinaga, Thielen.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 80 on S.B. No. 443**

The purpose of this bill is to require the registration of certain sex offenders with local law enforcement agencies upon their release into the community.

In particular, this bill requires any person convicted of a felony sexual assault in this State or another jurisdiction, within seven calendar days after arrival in a county in which the person resides or expects to be present for more than one month, to register with the county chief of police. The sex offender must also notify the police chief in writing within seven calendar days of any change of address.

In addition, this bill also specifies the contents of the registration, requires certain persons to explain to the sex offender the duty to register and the consequences for failure to register, allows a registered sex offender to apply to the circuit court for an order relieving the person of further registration five years after conviction for a felony sexual assault or five years following release from incarceration, and makes intentional or knowing failure to register a misdemeanor.

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

- (1) Reducing the time period, from seven calendar days to three working days, during which a sex offender must register with the county chief of police after arrival in a county upon release; and
- (2) Reducing the time period, from seven calendar days to three working days, during which the sex offender must notify the police chief of any change of address.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 443, 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. 443, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Gaulty, Chumbley, McCartney.

Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Tom, Kawakami, Herkes, Nekoba, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 81 on S.B. No. 171**

The purpose of this bill, as received by your Committee, is to allow for the disclosure of employee misconduct of police officers if such misconduct results in the officer's discharge.

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

- (1) Amending the title of the subsection to read, "Significant privacy interest; examples";
- (2) Rewording the exemption to read, "except in a case which results in the discharge of the officer";
- (3) Requiring the police chief of each county to submit an annual report to the legislature prior to each regular session which summarizes incidents of police officer misconduct, indicates the disciplinary action imposed, and the number of officers suspended or discharged for malicious use of force, mistreatment of prisoners, drug abuse, and cowardice; and
- (4) Inserting a saving clause.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 171, 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. 171, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, Kanno, Matsuura, McCartney.  
Managers on the part of the Senate.

Representatives Tom, Herkes, Swain, White, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 82 on S.B. No. 858**

The purpose of this bill is to enable employees of the University of Hawaii (UH) and the Department of Education (DOE) to invest retirement funds in mutual funds held in custodial accounts, thereby qualifying for favorable benefits under federal tax law.

After careful consideration and discussion, your Committee believes that the UH and DOE need time to make the necessary rule changes. To allow the necessary time, your Committee has amended this bill by changing the effective date of this bill to January 1, 1996.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 858, 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. 858, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 83 on S.B. No. 1022**

The purpose of this bill is to:

- (1) Authorize the issuance of \$45,000,000 in special purpose revenue bonds for the Kapiolani Health Care System and its nonprofit subsidiaries; and
- (2) Repeal the June 30, 1995, sunset provision for issuing special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

Your Committee has amended this measure by:

- (1) Deleting all provisions authorizing and otherwise relating to the issuance of \$45,000,000 in special purpose revenue bonds for the Kapiolani Health Care System and its nonprofit subsidiaries. Your Committee finds that this matter is provided for in another bill currently being considered by the Legislature; and
- (2) Deleting the repeal of the sunset provision, and providing instead for an extension of the sunset provision until June 30, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1022, 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. 1022, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Levin, Baker, Kanno, Liu.  
Managers on the part of the Senate.

Representatives Pepper, Kawakami, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 84 on S.B. No. 1028**

The purpose of this bill is to ensure that direct cash welfare payments are used for day-to-day living expenses rather than for the purchase of alcohol and other drugs by using the department of health's representative payee system for welfare recipients who are disabled because of substance abuse.

The bill also establishes a cap not to exceed one percent of the moneys appropriated under HMS 204 to fund this program through the department of health.

Upon further consideration, your Committee has amended the bill by requiring the department of health to submit annual reports to the legislature regarding program expenditures and general demographic data of persons served by the program. Your Committee has also made two technical, clarifying amendments and has changed the starting date of this program from July 1, 1995, to December 1, 1995.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1028, 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. 1028, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Levin, Matsuura, Baker.  
Managers on the part of the Senate.

Representatives Chun Oakland, Pepper, Kawakami, Saiki, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 85 on S.B. No. 1410**

The purpose of this bill is to authorize the issuance of up to \$6,000,000 in special purpose revenue bonds to relocate a medical waste incineration and disposal facility developed by Pacific Controls, Inc., from Waipahu to Campbell Industrial Park.

Your Committee has amended this bill by providing that the expressed purpose of the issuance of the special purpose revenue bonds is to assist Pacific Controls, Inc., in the establishment of a medical waste incineration and disposal facility in the Campbell Industrial Park, including relocation costs with respect to the Waipahu site. House draft 2 provided that the purpose of the issuance of the bonds is to assist Pacific Controls, Inc., in paying only the direct costs incurred in connection with the relocation of the facility.

It is your Committee's strong intent that nothing more hazardous than medical waste will be incinerated or disposed of in the facility established by Pacific Controls, Inc. in the Campbell Industrial Park.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1410, 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. 1410, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Levin, Tam, Kanno, Kawamoto.  
Managers on the part of the Senate.

Senator Tam did not concur.

Representatives Shon, Say, Jones, Santiago, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 86 on S.B. No. 1461**

The purpose of this bill is to provide for services in the community for those persons with developmental disabilities who are now institutionalized at Waimano Training School and Hospital (WTSH). The bill eliminates WTSH and mandates that all programs and services for developmentally disabled persons be provided in the community by June 30, 1998.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 1461, S.D. 2, H.D. 2:

- (1) Clarified that when the private sector does not or is not able to provide the services specified in section 333F-2, Hawaii Revised Statutes, the department of health shall provide them. Restrictive language mandating that the department make a request to private service providers in all instances has been deleted;
- (2) Added language providing that clients at WTSH shall be placed into community-based programs, provided appropriate support services are available;
- (3) Added language providing that the panel convened pursuant to section 333F-2(a), Hawaii Revised Statutes, shall also ensure that the transition of WTSH residents to the community will be client-centered, taking into

consideration the health, safety, and happiness of the residents and the concerns of their families. The composition of the panel was also broadened to include employees and employee representatives;

- (4) Clarified that supports and services under section 333F-2(c), Hawaii Revised Statutes, shall include the provision of care at the skilled nursing level or in a skilled nursing facility, as individually appropriate;
- (5) Clarified that supports and services under section 333F-2(c), Hawaii Revised Statutes, shall also include the provision of case management services independent of the direct service provider. Your Committee recognizes that the provision of case management services as so required, will require amendment of the Health Care Financing Administration's Home and Community Based Waiver, modification of the Memorandum of Agreement between the department of health and the department of human services, and modification of contracts between the department of human services and community providers. The departments are therefore encouraged to begin work on these amendments promptly in order to meet the June 30, 1996, effective date applicable to the provision of these services;
- (6) Required the department of health to submit annual reports to the Legislature describing the status of the plan developed pursuant to chapter 333F-2, Hawaii Revised Statutes, as amended, no later than twenty days before the convening of the regular sessions of 1996, 1997, and 1998, and a final report in 1999. House draft 2 had provided only for a single report in 1996. It is your Committee's intent that the 1996 report include the status of the lifting of the moratorium on the Title XIX waiver program; and
- (7) Provided that the provision making case management services independent of direct services shall be effective June 30, 1996.

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

Use of the word "community" on page 4, with respect to crisis and emergency services which the department may need to provide, is intended to be broad enough to cover short-term crisis or emergency services in a facility. The department may address the impact of this provision in its 1996 and 1997 reports to the legislature, and request any changes if necessary.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1461, 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. 1461, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Levin, Baker, Kanno, Anderson.  
Managers on the part of the Senate.

Representatives Pepper, Say, Isbell, Kawakami, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 87 on S.B. No. 396**

The purpose of this bill is to set minimum staffing levels in public schools for kindergarten through grade six classes. This bill also requires the department of education to allocate funds or resources from its existing budget to meet this requirement, and to transfer no fewer than 110 resource teachers to teacher positions in the classroom.

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

- (1) Specifying that the department of education shall meet the minimum staffing requirement using existing resource teachers within the state and district offices;
- (2) Requiring the department of education to transfer to regular instruction (EDN 100) no fewer than 107 resource teacher positions and funding; provided that no person shall suffer loss of compensation or benefits as a result of the transfer;
- (3) Allowing the department of education to consider the transfer under this Act as part of the restructuring mandate of Act 272, Session Laws of Hawaii 1994;
- (4) Requiring the department of education to report on the transfers including the teaching positions filled, previous capacity of those filling the teaching positions, program identification number and code under which the position originally served;
- (5) Prohibiting the department of education from creating any new temporary or permanent educational officer positions during the 1995-1997 fiscal biennium;
- (6) Requiring the department of education to eliminate no less than twenty percent of educational officer positions except principal, vice principal, athletic director, or business manager positions during the fiscal biennium 1995-1997, requiring a report to the legislature identifying the positions eliminated, allowing the department to count early retirement vacancies as part of this requirement; and
- (7) Requiring that all moneys realized as a result of the elimination of positions to be reallocated to the schools on the basis of enrollment to be used at the discretion of the schools for the purposes of augmenting instructional programs.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 396, 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. 396, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Chumbley, Kawamoto.  
Managers on the part of the Senate.

Representatives Stegmaier, Say, Kawakami, Morihara, Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 88 on S.B. No. 942**

The purpose of this bill is to establish a continuous training program for school security attendants conducted jointly by the department of education, the department of public safety, and the county police departments.

Your Committee finds that the public school students' learning attention span can be aided by the feeling of being secure on campus and in classrooms. By providing trained school security attendants, parents, students, and teachers can be assured uniformity and consistency in application of the law. The standardization of training will also benefit the department of education if personnel must be shifted from one school to another to meet changing needs.

Your Committee has amended this bill by replacing the word "police" with the phrase "law enforcement" on page 3.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 942, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 942, S.D. 1, H.D. 3, C.D. 1.

Senators Ikeda, Grauly, Chumbley, Tam, Anderson.  
Managers on the part of the Senate.

Representatives Stegmaier, Tom, Say, Takai, Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 89 on S.B. No. 336**

The purpose of this bill is to generate additional revenues for the driver education and training program by: (1) increasing the fines payable for various motor vehicle violations; (2) establishing a new fine for persons convicted of driving under the influence of alcohol; and (3) increasing the proportion of underwriters fees allocated to the training fund.

Following its deliberations on this measure, your Committee reached a consensus to make the following amendments:

- (1) The drivers education and training fund fine for various motor vehicle violations has been set at \$7 rather than \$8;
- (2) The drivers education and training fund fine for persons convicted of driving while intoxicated has been set at \$100, rather than \$50;
- (3) The annual underwriters fee payable to the drivers education fund account by insurers and self-insurers has been lowered from \$2 to \$1.50; and
- (4) The proposal to increase the amount of underwriters fees allocated to the drivers education and training fund has been deleted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 336, 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. 336, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Grauly, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Menor, Say, Cachola, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 90 on S.B. No. 1683**

The purpose of this bill is to clarify the requirements for receiving general assistance for those physically and mentally impaired and to provide for lump-sum budgeting for general assistance.

Your Committee is aware that the United States Congress is moving toward initiating block grants to the states as its share in funding financial assistance and other programs. This is likely to result in a reduction in amounts of money that the states have to spend on general assistance because of the necessity to order priorities amongst many programs. Your Committee believes that it is prudent to plan ahead for the coming of block grants by providing for lump-sum budgeting. Your Committee is aware of the practical inequities inherent in lump-sum budgeting since it would mean that the Department of Human Services would have to serve the same number of individuals, more or less, with less money. However, the realities of the situation call for prudent planning notwithstanding the possibility of resulting inequities.

This bill allows the Department of Human Services to determine the allowance for general assistance based upon the total amount appropriated for general assistance, among other relevant factors. In conformity with that, this bill also

allows the Department of Human Services to adopt rules to establish qualifying guidelines and priorities for general assistance and a method of determining general assistance.

Your Committee believes that the Department of Human Services should be authorized to adopt rules to determine the allowance for general assistance based upon the total amount appropriated for general assistance and to establish guidelines and priorities for assistance. Your Committee further believes that the General Assistance Program should serve the most needy.

Accordingly, your Committee has amended the bill as follows:

1. Eliminated eligibility for those persons who are at least fifty-five years of age;
2. Added eligibility, for six months, for persons between the ages of eighteen and sixty-five years of age whose primary diagnosis is substance abuse;
3. Limited eligibility to one year for disabled persons between eighteen and sixty-five years of age, which may be extended pending determination of eligibility for the Federal Supplemental Security Income Program; and
4. To require physically and mentally impaired recipients to accept and pursue medical treatment.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1683, 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. 1683, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Matsuura, Aki, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Chun Oakland, Say, Saiki, Suzuki, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 91 on S.B. No. 1751**

The purpose of this bill is to provide the Division of Consumer Advocacy flexibility in staffing by:

- (1) Increasing the number of utility analysts that are exempt from civil service from two to four; and
- (2) Increasing the statutorily-established annual salary ceiling of \$55,000 for those employees to \$65,000.

Your Committee finds that the Consumer Advocate is charged with the responsibility of advocating the public's interest before the Public Utilities Commission on a number of very complex and diverse issues. Due to the limit on the number of staff analysts the Consumer Advocate may hire, staff analysts are required to handle issues outside their normal field of expertise.

Your Committee believes that providing the Consumer Advocate with the authority to hire staff analysts on the basis of specific skill and knowledge requirements would result in better representation for the general public before the Public Utilities Commission. Furthermore, removing the salary ceiling for these staff analysts would provide the Consumer Advocate with the ability to attract more qualified applicants.

Upon further consideration, your Committee has amended the bill by removing the annual salary cap for these analyst positions.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1751, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1751, H.D. 1, C.D. 1.

Senators Ikeda, Kanno, Fukunaga.  
Managers on the part of the Senate.

Representatives Menor, Say, Garcia, Kawakami, Thielen.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 92 on S.B. No. 432**

The purpose of this bill is to help support substance abuse treatment and prevention programs by authorizing the sentencing court to impose a monetary assessment on criminal defendants who are convicted of certain drug offenses or who have received deferred acceptance of guilty or no contest pleas for those offenses.

The monetary assessments are in addition to, and not in lieu of, other penalties imposed and are to be made after payment of any restitution ordered. The bill also establishes a special fund into which the monetary assessments are to be deposited and which is to be administered by the department of health to supplement drug treatment and other drug demand reduction programs. The department is required to submit to the legislature an expenditure report of the fund during each of its initial three years.

Your Committee finds that this bill serves the dual purpose of rightfully imposing additional penalties for offenses committed as well as channeling those monetary penalties more directly to fund drug abuse treatment and prevention. Such funding is necessary to help prevent future offenses and to mitigate the effects of past offenses.

Your Committee has amended this bill by:

- (1) Deleting section 1 relating to the department of health and renumbering the remaining sections consecutively;
- (2) Extending the scope of offenses subject to monetary assessments to include persons sentenced for misdemeanor drug offenses;
- (3) Deleting the department of health's reporting requirement; and
- (4) Inserting a June 30, 1996, sunset provision to allow for a one-year assessment of the bill's impact.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 432, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 432, S.D. 2, H.D. 3, C.D. 1.

Senators Ikeda, Gaulty, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives Pepper, Tom, Say, Hamakawa, Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 93 on S.B. No. 68**

The purpose of this bill is to authorize the Department of Human Services to plan for and to implement an electronic benefit transfer (EBT) system for the food stamp program and the aid to families with dependent children (AFDC) program.

This bill appropriates \$60,000 to the Department of Human Services to conduct a study of the feasibility of implementing an EBT system in Hawaii, to be matched by the federal government.

Your Committee finds that thirty-five other states have already implemented an EBT system. Their success may soon lead to a federal mandate to require the states to institute such a system. Under an EBT system, EBT cards are issued to program recipients with their allotted amounts encoded into the cards. The only way to redeem food stamps would be directly through a store, eliminating unqualified third parties from trafficking in food stamps at a discount. Allotted amounts for other programs such as AFDC would work in a similar way whereby amounts can be redeemed only by the use of a personal identification number associated with the EBT card.

Your Committee finds that an EBT system is a possible method of reducing fraud and improving the efficiency of Hawaii's public assistance programs. A feasibility study would help to identify the costs and potential cost savings resulting from such a system.

Your Committee has amended this bill to insert the sum of \$60,000 as the appropriated amount.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 68, 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. 68, S.D. 2, H.D. 1, C.D. 1.

Senators Ikeda, Matsuura, Aki, Taniguchi.  
Managers on the part of the Senate.

Representatives Chun Oakland, Say, Kawakami, Marumoto.  
Managers on the part of the House.

Representative Saiki did not sign the report.

**Conf. Com. Rep. No. 94 on S.B. No. 1939**

The purpose of this bill is to provide funding for public access to legislative proceedings to be used for:

- (1) Staff, equipment, and operation of the Public Access Room;
- (2) Installation of electronic hardware and equipment to broadcast legislative proceedings in the Capitol conference rooms;
- (3) Production and distribution of radio broadcasts of legislative proceedings; and
- (4) Support of neighbor island public access television stations.

Your Committee has amended this bill by:

- (1) Appropriating the sum of \$60,000, or so much thereof as may be necessary for fiscal year 1995-1996, to provide funding for staff, equipment, and operation of the Public Access Room. This amount will enable the Public Access Room to operate year-round. House draft 1 appropriated \$1 for this purpose;
- (2) Appropriating \$20,000 each to the House of Representatives and the Senate, or so much thereof as may be necessary for fiscal year 1995-1996, for the installation and operation of the sound systems for House and Senate conference rooms in the State Capitol. House draft 1 appropriated \$1 each to the House and the Senate for this purpose. Your Committee notes that it has reduced the original funding level of these conference room sound

systems by twenty per cent in anticipation of each house of the Legislature being able to utilize existing equipment (primarily speakers) currently in use at the State Office Tower;

- (3) Amending the title of Part II of the bill to read "Broadcasts of Legislative Proceedings";
- (4) Deleting language in section 4 of the bill referring to radio broadcasts of legislative proceedings and language providing that the purpose of part II of the bill is to appropriate funds to increase public access to legislative proceedings, including real-time captioning. Your Committee has substituted language providing that the purpose of part II is to appropriate funds to provide for broadcasts of legislative proceedings, authorize expenditure of previously appropriated funds for legislative broadcasts in 1995 and 1996, and appropriate funds for plans and design to install broadcast infrastructure and equipment to provide television broadcasts of legislative proceedings. It is your Committee's intent that the word "equipment" in the substituted language include real-time captioning equipment;
- (5) Deleting separate appropriations of \$1 each to the House of Representatives and the Senate for the production and distribution of television broadcasts of legislative proceedings during 1995-1996, and substituting a single appropriation of \$25,000 to the Legislature for this purpose. Your Committee reduced the appropriation amount of the legislative cable television broadcast project from its previous funding level due to savings accrued in the current fiscal year and because a grant from 'Olelo: The Corporation for Public Broadcasting is expected for the upcoming fiscal year;
- (6) Adding a new section amending Section 3 of Act 259, Session Laws of Hawaii 1994, to appropriate funds to the House of Representatives and the Senate for fiscal year 1995-1996 to provide cable television broadcasts of legislative proceedings. This amendment is made to carry-over unused funds appropriated for this purpose for fiscal year 1994-1995;
- (7) Appropriating \$20,000, or so much thereof as may be necessary for fiscal year 1995-1996, to be expended by the Legislature for plans and design to install electronic hardware and equipment such as cameras, cables, control panels, and other equipment, to provide greater public access to the Legislature through television broadcasts of legislative proceedings. House draft 1 appropriated \$1 to be expended by the Department of Accounting and General Services to install electronic hardware and equipment such as cameras, cables, control panels, and real-time captioning equipment;
- (8) Deleting appropriations for the production and distribution of radio broadcasts of legislative proceedings during 1995-1996;
- (9) Deleting extraneous language in section 8 of the bill referring to neighbor island access to governmental programming, and deleting from the last paragraph of section 8 the phrase "on a timely basis"; and
- (10) Appropriating a total of \$62,000 as follows: \$18,500 for Ho'ike Kauai; \$16,800 for Akaku: Maui Community Television; and \$26,700 for Na Leo 'O Hawai'i, for fiscal year 1995-1996 grants-in-aid to purchase taping and other equipment needed for rebroadcasting state legislative programming. Your Committee finds that the principle of fair access to the legislative process must be applied to the Legislature's cable television broadcast project and therefore has provided funding via grants-in-aid to the nonprofit neighbor island PEG (public, education, government) access organizations for purchase of taping equipment to allow rebroadcasts of legislative proceedings during reasonable viewing hours. House draft 1 appropriated \$1 for each such organization for purchasing equipment necessary for rebroadcasting state legislative programming throughout the State.

Your Committee has also made several 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. 1939, 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. 1939, S.D. 2, H.D. 1, C.D. 1.

Senators Ikeda, Fukunaga, Baker, Bunda, Ihara, Kanno, Liu.  
Managers on the part of the Senate.

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

#### **Conf. Com. Rep. No. 95 on S.B. No. 478**

The purpose of this bill is to ensure that all public buildings, facilities, and other public improvements conform with the Americans with Disabilities Act Accessibility Guidelines.

Your Committee on Conference has amended this bill by:

- (1) Deleting the waiver of the requirement that agencies submit all plans to the commission on disabled persons for approval prior to the start of construction, and waiver of the requirement that all agencies provide written assurance that the improvements have been built in accordance with plans approved by the commission prior to final acceptance of the improvement and to final payment;
- (2) Providing that the thirty day requirement may be waived;

- (3) Providing that the architectural access committee may receive input related to the Americans with Disabilities Act, may issue interpretive opinions for design specifications not covered by the guidelines, and may adopt necessary rules pursuant to chapter 91, Hawaii Revised Statutes; and
- (4) Making other technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 478, 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. 478, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Fernandes Salling, Tanaka, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Kawakami, Chang, Swain, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 96 on S.B. No. 853**

The purpose of this bill is to require the Director of Transportation to provide for underground utility facilities in the design, redesign, construction, or reconstruction phases of new or existing federal-aid highways projects upon a determination that federal aid is available to do so. In particular the bill adds a new section to chapter 264, Hawaii Revised Statutes, requiring the Director to provide underground utility facilities when there are federal funds available. Underground facilities are not required, if after public hearing, the Director determines there are appropriate reasons for not providing such facilities. The bill requires that the director annually report the director's findings and decision for each hearing to the legislature.

Your Committee on Conference has amended the bill to provide and clarify that consideration of "economic feasibility" alone will not be sufficient to waive the requirement for underground utility facilities, instead such a determination will require consideration of state funding impacts, economic feasibility, and federal funding impacts and whether those factors militate against requiring underground utility facilities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 853, 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. 853, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Fernandes Salling, Baker, Fukunaga, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Hiraki, Say, Case, Ito, Ward.  
Managers on the part of the House.

**Conf. Com. Rep. No. 97 on S.B. No. 1674**

The purpose of this bill is to provide the community hospital system with increased flexibility in fiscal matters, purchasing procedures, and personnel management.

Specifically, this bill:

- (1) Establishes a hospital operations fund for each of the thirteen public health facilities to expedite payment of vendor's goods and services of less than \$10,000 and requires the department of health (DOH) to report annually to the governor and the legislature describing the activities in the hospital operations funds;
- (2) Authorizes the director of health to transfer special fund appropriations to the various hospital operations funds;
- (3) Exempts the special funds of the division of community hospitals (DCH) in the DOH from transfers to the general fund by the director of finance to defray central service expenses of government relating to all special funds;
- (4) Exempts the special funds of the DCH from its pro rata share of administrative expenses incurred for the operations supported by the special funds;
- (5) Allows the DCH flexibility to transfer special fund appropriations among DCH-administered programs, among cost elements in a program, and between quarters, as applicable, while prohibiting use of current appropriations to expand or initiate new programs requiring additional future state resources, and requires the DCH to report such transfers quarterly and annually;
- (6) Reduces the time of delinquency from two consecutive years to one year from the date the account arose, of accounts of health care charges due to the community hospitals to be found uncollectible by the attorney general and be deleted from accounts receivable records; provided the director of health may declare accounts of less than \$100 uncollectible without review by the attorney general;
- (7) Removes the administrator of the procurement office as the chief procurement officer for the DCH;
- (8) Clarifies the powers of the DOH to participate in prepaid health care service and insurance programs that may involve discounts from the DOH's authorized charges and specifically empowers the DOH to declare accounts uncollectible as provided by law;
- (9) Allows the DCH to increase rates, rents, fees, and charges by up to five per cent per fiscal year;

- (10) Authorizes the DCH to trade off and transfer, or establish positions within existing position ceilings and requires the DCH to report on such activities to the legislature before the convening of the 1996 regular session; and
- (11) Exempts the community hospitals from competitive bidding and preference laws.

Your Committee on Conference has amended this bill by:

- (1) Adding a stipulation that a detailed listing of encumbrances and expenditures, using generally acceptable accounting principles, be included in the annual report of activities in the thirteen hospital operations funds;
- (2) Subjecting expenditures from the hospital operations funds to the provisions of the procurement code governing small purchases (less than \$10,000 for goods or services or \$25,000 for construction);
- (3) Exempting the DCH's special funds from transfer to the general fund of amounts determined to be in excess of fiscal year requirements;
- (4) Clarifying that the DCH's flexibility to transfer special fund appropriations among DCH facilities must maintain the integrity of services at each facility and that transfers will not reduce services at a facility -- rather than unconditional flexibility to transfer funds among DCH-administered programs, among cost elements in a program, and between quarters;
- (5) Deleting:
  - (A) The provision allowing DCH accounts to be declared uncollectible after being delinquent at least one year after the account arose;
  - (B) The power of the director of health to declare accounts under \$100 uncollectible without attorney general review; and
  - (C) The specific power of the DOH to declare accounts uncollectible;
- (6) Allowing public health facilities that do not receive general fund augmentation to retain one hundred per cent, rather than only up to twenty-five per cent, of unrequired special fund revenues in their respective hospital special funds for payment of operating expenses;
- (7) Exempting the DOH's facility administration fund from transfers to the general fund of amounts in excess of ten per cent of the expenditures of all public health facilities at the end of the fiscal year;
- (8) Requiring the DCH to maintain budgetary organization codes used in fiscal year 1994-1995 for each public health facility as an internal reporting and accounting mechanism;
- (9) Clarifying that the community hospitals are subject to section 103D-305, Hawaii Revised Statutes, in section 12 of the bill which amends section 6 of Act 211, Session Laws of Hawaii 1993, as amended by section 3 of Act 193, Session Laws of Hawaii 1994;
- (10) Allowing the director of health to fill one hundred per cent of positions vacated, prohibiting holding vacant any of those positions, and prohibiting the elimination of any of those vacated positions mandated by Act 212, Session Laws of Hawaii 1994;
- (11) Providing that sections 3 and 4 of the bill apply retroactively to July 1, 1993, and requiring any funds transferred (for central service expenses and administrative expenses) to be returned within ninety days of the effective date of the bill; and
- (12) Making technical, nonsubstantive amendments, including a spelling correction, and necessary renumbering of sections of the bill, for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1674, 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. 1674, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Baker, Kanno, Liu.  
Managers on the part of the Senate.

Senator Liu did not concur.

Representatives Pepper, Say, Chun Oakland, Isbell, Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 98 on S.B. No. 937**

The purpose of this bill is to establish the University tuition and fees special fund for the University of Hawaii into which shall be deposited revenues from regular credit tuition and tuition-related course and fee charges.

Specifically, the bill:

- (1) Allows the University to use moneys deposited into this fund for income-producing activities and tuition waivers; and
- (2) Establishes a formula for legislative appropriations.

Your Committee acknowledges that over the past decade the legislature has provided the University of Hawaii with increasing administrative and budget flexibility. This measure is no exception to the state policy of increasing the university's fiscal autonomy. Your Committee also acknowledges that a proper balance needs to be struck between this policy and the equally important one of ensuring equal educational opportunity to financially needy students.

Your Committee has amended the bill to accommodate various component issues and concerns in order to perfect the mechanisms by which the university generates its own income and to strike a workable balance between the two policies, for immediate implementation.

Your Committee has amended the bill by:

- (1) Requiring the board of regents to adopt benchmarks to guide the course of the university's future effective with the 1997-1998 fiscal year;
- (2) Requiring the University to conduct a periodic review of all instruction, organized research, public service, academic support, student services, and institutional support programs to determine whether programs are operating for the purpose originally established and are not inconsistent with the benchmarks;
- (3) Establishing the University of Hawaii tuition and fees special fund into which shall be deposited all revenues collected by the university for regular credit tuition and tuition-related course and fee charges;
- (4) Prohibiting the use of the fund as justification for reducing any budget request or allotment to the University unless requested by the University; the transfer of moneys in the fund unless authorized by the Legislature; and the imposition of restrictions by the governor or director of finance without prior legislative approval;
- (5) Modifying the Board of Regents' powers to set tuition levels by requiring the board to set tuition levels at not more than thirty per cent of the estimated average annual cost of education and increasing the fee for the apprenticeship program at the community colleges;
- (6) Giving authority to the Board of Regents to grant, modify, or suspend tuition waivers;
- (7) Amending chapter 36, Hawaii Revised Statutes, to exempt the University of Hawaii tuition and fees special fund from central service expenses and departmental administrative expenses;
- (8) Repealing section 37-74(e), Hawaii Revised Statutes, regarding the duty of the University of Hawaii to confer with the legislature and the governor to use current appropriations in any manner that would result in the expansion of programs or the initiation of new programs;
- (9) Authorizing the Board of Regents to impose nonresident fee differentials;
- (10) Suspending authorization for the deposit of the first \$1,000,000 of tuition collected into the Hawaii opportunity program in education until the 1997-1998 fiscal year;
- (11) Repealing statutorily mandated tuition waivers. Since the University is being given the authority to control income generated from tuition, it is more appropriate for the University rather than the Legislature to determine how and to whom waivers should be granted;
- (12) Providing for the transfer of \$5,000,000 from the Hawaii opportunity program in education special fund to the University of Hawaii student tuition and fee special fund; and
- (13) Authorizing the Board of Regents to assess a nonresident fee each semester of \$65 per student at the University of Hawaii, Manoa Campus, and \$25 for all other University of Hawaii campuses.

The intent of these amendments is to establish a tuition and fee special fund into which would be deposited those tuition and fee revenues currently deposited in the general fund, including future increases to these revenues resulting from increased charges and from any new tuition, course, and new student-related fees or charges established by the university or the legislature.

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

Senators Ikeda, Ige, Iwase, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Lee, Say, Nekoba, Takai, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 99 on S.B. No. 1467**

The purpose of this bill is to establish the systemwide information technology services special fund.

Specifically, the bill:

- (1) Repeals the systemwide computer services special fund for the University of Hawaii systemwide consortium and replaces it by establishing the systemwide information technology services special fund; and
- (2) Allows the Board of Regents of the University of Hawaii to charge an information technology user fee to be deposited into the systemwide information technology services special fund for the purposes of that fund.

Your Committee finds that the special fund created in this bill will provide funds to modernize the university's audio, video, communications, information, and computer systems as well as for planning, design, and implementation of technology infrastructure within the university.

Your Committee has amended the bill to include language to clarify that the moneys of the special fund shall be used for information technology as well as for information services of the University of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1467, 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. 1467, S.D. 2, H.D. 1, C.D. 1.

Senators Ikeda, Ige, Iwase, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Lee, Say, Jones, Santiago, Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 100 on S.B. No. 1298**

The purpose of this bill is to transfer the responsibility for setting public school teacher certification standards from the department of education to a Hawaii teacher standards board to be administratively attached to the department of education.

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

- (1) Inserting a definition of "superintendent";
- (2) Changing the size of the board from eleven to nine members and changing its composition to include four teachers, three educational officers, the chairperson of the board of education or the chair's designee, and the dean of the college of education at the University of Hawaii or the dean's designee;
- (3) Requiring that the board represent elementary and secondary school personnel and the neighbor islands, to the extent possible;
- (4) Deleting the payment of per diem for board members;
- (5) Creating separate sections to clarify the board's responsibilities for setting standards and its other powers, and including in the board's powers the ability to establish penalties in accordance with chapter 91;
- (6) Deleting the power of the department of education to approve teacher education programs and coordinate teacher preparation programs with institutions of higher education;
- (7) Changing the implementation date for issuance of licenses and credentials from the 1996-1997 school year to the 1997-1998 school year;
- (8) Changing the teacher standards board special fund to a revolving fund;
- (9) Authorizing the superintendent of education to be the final adjudicator on appeals of board actions;
- (10) Clarifying in existing statute that only public school teachers shall be subject to these standards;
- (11) Deleting the appropriation section, and directing the department to transfer \$20,000 from the appropriation made to EDN 200 in each fiscal year, into the Hawaii teacher standards board revolving fund;
- (12) Inserting a grandfather provision for any person holding a teacher certificate issued by the department of education prior to the beginning of the 1997-1998 school year; and
- (13) Changing the sunset date from June 30, 1998, to June 30, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1298, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1298, S.D. 2, H.D. 3, C.D. 1.

Senators Ikeda, Chumbley, Kawamoto.  
Managers on the part of the Senate.

Representatives Stegmaier, Menor, Tom, Say, Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 101 on H.B. No. 1626**

The purpose of this bill, as received by your Committee, is to continue the systemic reform initiatives of past legislatures by: clarifying certain provisions related to student-centered schools; providing statutory flexibility to facilitate completion of school construction projects; requesting the department of education to establish a statewide assessment and accountability system; and establishing various study groups to review education governance, statutory reorganization, and alternatives for the acquisition of school facilities.

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

- (1) Deleting the repeal of the twenty-five schools cap on the establishment of student-centered schools;
- (2) Deleting the exemption from the state procurement laws for student-centered schools;
- (3) Deleting the provision allowing a simple majority of parents attending a public meeting at which a vote is taken to approve a student-centered school plan;
- (4) Authorizing the department of education to expend \$175,000 from allotment for teacher improvement services from the general fund appropriation made to instructional services (EDN 200) in fiscal year 1995-1996, to provide teacher training through the New Standards Project, in order to develop a student assessment system as part of a comprehensive educational assessment and accountability system;
- (5) Deleting the general fund appropriation for the comprehensive educational assessment and accountability system;
- (6) Deleting the statutory flexibility provisions to allow the department of education to initiate school construction projects from the supplemental "B" list if a project from the priority "A" list is delayed;
- (7) Deleting the establishment of an interim study group to review the concept of providing authority to the department of education to enter into lease agreements for the acquisition of school facilities;
- (8) Limiting the scope of the commission on the board of education to reviewing the number of members on the board and the method of election of the board, deleting the requirements that the commission represent the constituency of the school/community-based management councils, convening the commission on August 1, 1995, and earmarking \$10,000 for the commission from the board of education allocation made from the appropriation for state and district administration (EDN 300);
- (9) Deleting the establishment of an education statutory revision interim study group;
- (10) Establishing a school district advisory council commission to review the roles and responsibilities of the councils and make recommendations for restructuring or termination of the councils, convening the commission on July 1, 1995, and earmarking \$10,000 for the commission from the school advisory council allocation made from appropriation made to state and district administration (EDN 300); and
- (11) Changing the effective date to upon approval except for sections 5, 8, and 9.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1626, 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. 1626, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Chumbley, Kawamoto, Anderson.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 102 on H.B. No. 1903**

The purpose of this bill, as received by your Committee, is to authorize the issuance of general obligation bonds for the construction of public school facilities, and to amend various provisions relating to the expenditure of funds by the department of education to ensure compliance with legislative appropriations.

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

- (1) Authorizing the department of education to deploy one instructional resource augmentation position for each two hundred fifty students enrolled in each school, provided that the department deploys all positions;
- (2) Retaining the 6.5 percent cap on the department of education's administrative expenses;
- (3) Requiring that any carryover of funds appropriated to the department of education shall be used exclusively for the school-based budgeting program EDN 100, and of those appropriations allocated to the schools, the funds shall remain within the budget of the schools to which they were originally allocated; and
- (4) Clarifying that the sum appropriated in section 2 of this Act shall be expended by the department of accounting and general services.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1903, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1903, S.D. 1, C.D. 1.

Senators Ikeda, Chumbley, Kawamoto, Liu.  
Managers on the part of the Senate.

Representatives Stegmaier, Say, Kawakami, Tarnas, Halford.  
Managers on the part of the House.

**Conf. Com. Rep. No. 103 on H.B. No. 1409**

The purpose of this bill is to clarify the legislative intent that the income and capital gains of the State of Hawaii Endowment Fund (Fund) are to be used solely for the purpose of paying the salaries of musicians belonging to an Oahu-based symphony orchestra as determined by the State Foundation on Culture and the Arts (SFCA).

This bill also specifies that the income and capital gains from the Fund are to be transferred on a quarterly basis to the SFCA, Performing and Visual Arts Events Private Contribution Account (Account).

Your Committee has reviewed the record of the legislative hearings by both the respective House and Senate committees and found overwhelming support for the bill from music lovers to the ILWU to the Hawaii Symphony Orchestra.

The Chairperson of the Honolulu Symphony Society opposes passage of this bill at this time because the Society is now in negotiations with the Hawaii Symphony Orchestra. However, the Society had no argument with the concept in the bill, that is, to pay musicians' salaries and benefits. The Society also agreed that the legislative intent to establish the endowment was to support a live symphonic orchestra for residents in Hawaii.

Bank of Hawaii opposed the bill because it has an assignment on the endowment income to pay off the outstanding balance of \$298,000 from a bank loan. If income from the state portion of the endowment was included in the assignment, the loan may be paid off in one year. Without it, the loan will be repaid in three years.

Your Committee notes that Bank of Hawaii stated that from its perspective, the main problem of the Society was not its labor dispute. Instead, it was lack of cash due to unprofitable operations. Bank of Hawaii also submitted financial statements which showed that the Society, with no orchestra and no ticket sales since May 1993, incurred administrative expenses of \$1.4 million in 1994, and \$450,000 in the first eight months of 1995. The Society still has five employees with an annual payroll of \$250,000.

Your Committee further notes that the Attorney General has reviewed the bill and finds that the bill is legally sound. The Attorney General recommends that only the income and capital gains from the \$2,000,000 provided by the State be transferred to the SFCA, to be used for the production of music, that is, payment of the salaries and benefits of the musicians, by an Oahu-based symphony orchestra.

After careful deliberation, your Committee has amended this bill by:

- (1) Specifying that the income and capital gains to be transferred on a quarterly basis to the SFCA Account is based on the \$2,000,000 contributed by the State;
- (2) Providing that the income and capital gains to be transferred to the SFCA Account, are to be used for the production of music by an Oahu-based symphony orchestra as determined by the SFCA, instead of being used solely for paying the salaries of musicians belonging to an Oahu-based symphony orchestra; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1409, 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. 1409, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Ige, Iwase, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Lee, Kawakami, Anderson.  
Managers on the part of the House.

**Conf. Com. Rep. No. 104 on H.B. No. 2094**

The purpose of this bill is to amend the campaign spending law to bring about major reform. The bill also amends the existing law and adds new provisions in the areas of the commissioners' duties and independence from participation in political campaigns; disclosure requirements for government contractors and non-candidate committees; registration requirements for contributions or expenditures in excess of \$1000; electronic filing of disclosures; setting contribution limits from individuals and political parties; thresholds for public financing; open hearings for contested determinations of probable cause; and encouragement of public financing.

Your Committee finds that rapidly increasing costs of political campaigns have forced many candidates to raise larger amounts of money from interest groups with specific financial interests in government matters. This has caused the perception that votes are being improperly influenced by contributions. Disclosure of contributions and expenditures is needed to maintain the integrity of the electoral process. It is apparent that public confidence in political campaigning

has diminished markedly over the years. The mandate is clear that comprehensive reform is long overdue as a first step to re-instill public confidence in the elective process.

Significant amendments made by your Committee include the following:

- (1) Loans for more than \$100 must be documented and reported;
- (2) Individual contributions to a candidate are limited to \$2,000 for a two-year nonstatewide office, \$4,000 for a four-year nonstatewide office, and \$6,000 for a statewide four-year office;
- (3) Contributions to a non-candidate committee are banned until six months after the non-candidate committee registers with the Campaign Spending Commission (Commission);
- (4) Intentional, knowing, or reckless violations may be referred by the Commission to the attorney general or prosecuting attorney in lieu of an administrative determination;
- (5) Five per cent of the annual receipts of the Hawaii Election Campaign Fund shall be appropriated annually to the Commission for administrative costs;
- (6) In order to qualify for public funding, a candidate shall have received \$50,000 for governor, \$40,000 for lieutenant governor, \$30,000 for mayor or prosecuting attorney (Honolulu), \$10,000 for mayor or prosecuting attorney (outer islands), \$5,000 for county council, \$2,500 for senator, and \$1,500 for representative;
- (7) Knowing, intentional, or reckless violations shall be punishable as a misdemeanor, and a person so convicted shall be disqualified from holding elective public office for four years from the date of conviction;
- (8) An appropriation of \$70,000.00, or so much thereof as may be necessary for fiscal year 1995-1996, for an additional investigator for the campaign spending commission to be expended by the office of the lieutenant governor; and
- (9) Technical and nonsubstantive changes were made for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2094, 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. 2094, H.D. 2, S.D. 1, C.D. 1.

Senators Gaulty, Ikeda, Baker, McCartney.  
Managers on the part of the Senate.

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

#### **Conf. Com. Rep. No. 105 on H.B. No. 1586**

The purpose of this bill is to subject collective bargaining impasses between a public employer and bargaining units (2), (3), (4), (6), (8), (9), and (10) to the compulsory arbitration process similar to the process currently applicable only to the bargaining units representing firefighters and police officers.

Your Committee finds that under existing law, if a bargaining dispute between a public employer and these units exists for over ninety days after written notification by either party to initiate negotiations, then the bill allows either party to give written notice to the Hawaii Labor Relations Board (Board) that an impasse exists. Upon notification of an impasse, the Board assists in the resolution of the impasse by appointing a mediator within three days of the notification. If the impasse still exists after fifteen days of notification of the Board, the dispute is then subjected to an arbitration process in which a single arbitrator is empowered to enter into a stipulated award and decision.

Moreover, under existing law, only disputes involving bargaining units (11) and (12), the bargaining units representing firefighters and police officers, are subject to a compulsory arbitration procedure where the parties may agree to either a single arbitrator or a panel of arbitrators or, absent agreement, the Board submits the dispute to a tripartite panel, and the arbitrator or panel is restricted to consideration of specific factors which must be explained in a written opinion.

Upon further consideration, your Committee has amended the bill to provide that:

- (1) The arbitration process be the same as that provided for Bargaining Units (11) and (12); and
- (2) The bill only applies to bargaining unit (10) since S.B. 1218, S.D. 1, H.D. 1, which passed final reading on April 19, 1995, already provides for the inclusion of units (2), (3), (4), (6), (8), and (9) in the compulsory arbitration process. Your Committee has also included a new section to clearly state that the provisions in this bill and in S.B. 1218, S.D. 1, H.D. 1, are not to be construed to be in conflict.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1586, 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. 1586, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 106 on H.B. No. 1425**

The purposes of this bill are to:

- (1) Establish the position of State Recycling Coordinator in the Department of Health;
- (2) Define the terms "waste disposal company" and "wet food waste"; and
- (3) Require waste disposal companies to use commercial bioconversion facilities to dispose of wet food wastes, provided the fees are the same or less than public disposal waste facility fees.

Your Committee finds that bioconversion of wet food waste is an attractive alternative to conventional waste disposal techniques, such as landfilling and incineration, because of its environmental friendliness. The organic byproducts recovered through the bioconversion process are recyclable. In comparison, the landfilling of wet food waste creates, through anaerobic decomposition, methane gas and leachate into the State's groundwaters; landfilling and incineration often times are not viable options economically for waste hauling and disposal companies because of the nature of wet food waste. Liquids cause other waste streams to weigh more, increase handling costs and tipping fees for waste hauling and disposal companies.

However, although your Committee finds that bioconversion of wet food waste is an emerging technology that offers an alternative to current disposal methods for wet food waste, there has not been adequate public discourse to mandate the use of bioconversion. Additionally, alternatives such as bioconversion should be market-driven; presently, there is only one such company operating in the State.

Your Committee has therefore amended this bill by:

- (1) Deleting the section defining the terms "wet food waste" and "waste disposal company";
- (2) Deleting the requirement for waste disposal companies to use commercial bioconversion facilities to dispose of wet food wastes provided the fees are the same or less than public disposal facility fees; and
- (3) Designating that the position of Recycling Coordinator shall be an assistant to the Coordinator of the Office of Solid Waste Management.

It is the intent of your Committee that public discourse and research into alternative disposal methods, which have the potential of providing more environmentally friendly techniques, such as bioconversion, be continued.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1425, 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. 1425, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Tam, Chumbley, Liu.  
Managers on the part of the Senate.

Representatives Shon, Say, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 107 on H.B. No. 1909**

The purpose of this bill is to improve State government operations by:

- (1) Creating a temporary Interagency Federal Revenue Maximization Revolving Fund to be used to pursue, collect, and distribute additional federal fund reimbursements;
- (2) Establishing a Financial Institution Examiners' Revolving Fund for the payment of various personnel and administrative expenses incurred during the course of a financial institution examination; and
- (3) Requiring that the expenditure of all revolving fund proceeds as well as funds established to provide interdepartmental services must be made by appropriation or allotment, unless specifically exempted.

Your Committee has amended this bill by:

- (1) Exempting the following special funds from paying for central services expenses as well as departmental administrative expenses:
  - (a) Funds of the Employees' Retirement System;
  - (b) The Unemployment Compensation Fund; and
  - (c) The Hawaii Hurricane Relief Fund;
- (2) Exempting the Convention Center Capital and Operations Special Fund from paying for departmental administrative expenses;

- (3) Requiring the Director of Finance to submit annual reports on all central services assessments as well as all departmental administrative expenses assessments;
- (4) Requiring the Comptroller to submit annual reports on various aspects involved in administering the Interagency Federal Revenue Maximization Revolving Fund;
- (5) Modifying the fees to be paid by financial institutions to the Financial Institution Examiners' Revolving Fund;
- (6) Amending Section 12 of Act 200, Session Laws of Hawaii 1994, to extend through fiscal year 1995-1996, the authorization to expend moneys relating to the Hawaiian Sovereignty Elections Council;
- (7) Appropriating specific amounts relating to the federal fund reimbursements;
- (8) Establishing July 1, 1996, as the effective date for requiring that expenditures from revolving funds as well as funds established to provide interdepartmental services must be made by appropriation or allotment; and
- (9) 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. 1909, 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. 1909, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi, Liu.

Managers on the part of the Senate.

Representatives Say, Kanoho, Ward.

Managers on the part of the House.

**Conf. Com. Rep. No. 108 on H.B. No. 1996**

The purpose of this bill is to enable the Occupational Safety and Health Training and Assistance Fund (Fund) to provide the necessary education to help reduce accident rates by:

- (1) Designating it as a special fund;
- (2) Changing its annual revenues from \$200,000 to a maximum of \$500,000; and
- (3) Extending its sunset date from July 1, 1996, to July 1, 1999.

The bill also sunsets on July 1, 1999, the provision requiring the annual reports on unsafe employment for women.

Your Committee has amended the bill by:

- (1) Allowing funds from any source to be deposited into the Fund;
- (2) Appropriating to the Fund \$500,000 for each year of the fiscal biennium 1995-1997, to be expended by the Department of Labor and Industrial Relations.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1996, 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. 1996, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.

Managers on the part of the Senate.

Representatives Yonamine, Say, Kanoho, Suzuki, Marumoto.

Managers on the part of the House.

**Conf. Com. Rep. No. 109 on H.B. No. 386**

The purpose of this bill is to establish state policies and guidelines to promote environmental awareness throughout the State.

The Legislature has determined that the protection of the State's natural environment is vital to the public health and welfare of its citizens. Fundamental to that protection is the environmental education of those citizens.

Your Committee has determined that this education can be greatly promoted by enhancing public notice and awareness of the rules and interpretations of the State's environmental laws.

In order to accomplish this, your Committee has integrated the concept of written guidelines on compliance and enforcement from the House draft, and promotion of environmental education initiatives from the Senate draft of the bill.

A goal has been set to compile the written policies and guidelines that pertain to the State's environmental pursuits, and to provide a central location for them. July 1, 1998 has been set as the date by which this material should initially be

gathered; documents are to be updated annually. It is the understanding of your Committee that the department will also prepare a detailed timeline for the implementation of this Act.

As amended, this bill expands §344-3 to support promotion of environmental initiatives, and amends §344-4 to include facilitation and support of the development and establishment of initiatives between government and the private sector.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 386, 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. 386, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Tam, Aki, Chumbley, Liu.  
Managers on the part of the Senate.

Representatives Shon, Say, Tarnas, Marumoto.  
Managers on the part of the House.

Representative Jones did not sign the report.

#### **Conf. Com. Rep. No. 110 on H.B. No. 1785**

Your Committee amended the bill by inserting the appropriation amount.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1785, 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. 1785, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Say, M. Oshiro, Marumoto.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 111 on H.B. No. 2089**

The purpose of this bill is to:

- (1) Require that any rate credit, reimbursement, earning, or interest from the Hawaii Public Employees' Health Fund (Health Fund) from any carrier or self-insured plan be returned on a pro rata basis to reimburse the State or county general fund if the moneys are returned from a plan covering retirees, other surviving spouses of deceased retirees, or employees killed in the performance of their duty until July 1, 1996;
- (2) Require the Auditor to conduct a study of the Health Fund; and
- (3) Appropriate an unspecified amount for the Auditor's study.

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

- (1) Delete the requirement that the rate credit, reimbursement, earning, or interest be returned on a pro rata basis;
- (2) Have retroactive application to any rate credit, refund, or reimbursement made to the Health Fund prior to the effective date;
- (3) Delete the Auditor's study and the appropriation for the study; and
- (4) Change the effective date to take effect upon approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2089, 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. 2089, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Yonamine, Say, Isbell, Takumi, Marumoto.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 112 on H.B. No. 2133**

The purpose of this bill is to amend Hawaii's workers' compensation and insurance laws to improve efficiency and cost-effectiveness in the workers' compensation system.

Among other things, this bill:

- (1) Amends the definition of "physician" in Section 386-1, Hawaii Revised Statutes (HRS), to include only doctors of medicine and dentists;

- (2) Sets forth new requirements for establishing medical fee schedules so that charges do not exceed 120 percent of fees prescribed in the Medicare Resource Based Relative Value Scale;
- (3) Limits health care providers and nonphysicians from treating an injured employee for more than 19 visits;
- (4) Limits employer requested independent medical examinations to no more than one per case unless good and valid reasons exist with regard to the medical progress of the claimant's treatment;
- (5) Provides for medical interim reports at appropriate intervals instead of 21 days or less;
- (6) Provides that no employer be placed in an assigned risk pool without an experience rating plan;
- (7) Provides for all insurers authorized to write workers' compensation insurance to participate in a residual market plan;
- (8) Sets forth incentives for removing insured risks from the residual market; and
- (9) Provides that the Auditor conduct a comprehensive management and financial audit of the assigned risk program and agreements approved by the Insurance Commissioner for workers' compensation insurance.

Upon careful deliberation, your Committee has amended this bill by:

- (1) Deleting amendments to the definition of "physician" in Section 386-1, HRS;
- (2) Providing that as of the effective date of this measure, the medical fee schedule not exceed 110 percent of fees prescribed in the Medicare Resource Based Relative Value Scale;
- (3) Providing that the frequency and extent of treatment not exceed the nature of the injury and the process a recovery requires; provided that no authorization shall be required for the initial five treatments. After the initial five treatments, the Director of Labor and Industrial Relations may authorize no more than ten additional treatments. For injuries requiring more than fifteen treatments, the Director may authorize additional treatments;
- (4) Providing that the Insurance Commissioner, instead of the Auditor, submit a study to the Legislature on the assigned risk program;
- (5) Allowing workers' compensation benefits and coverage of workers' compensation insurance benefits to be subject to collective bargaining, provided that the benefits and coverage are not less than those provided by Chapter 386, HRS. This would not apply to collective bargaining contracts negotiated pursuant to Chapter 89, HRS;
- (6) Establishing a safety and health certification program to assure that individuals are qualified to evaluate safety in the workplace;
- (7) Allowing the issuance of limited licenses for adjusters to work solely on workers' compensation claims;
- (8) Requiring the disclosure of workers' compensation premium information by insurers to employers;
- (9) Excluding injuries resulting from unprovoked non-work related physical altercations other than self-defense from compensability;
- (10) Increasing the maximum award for disfigurement from \$15,000 to \$30,000;
- (11) For cases on or after July 1, 1995, providing that in successive injury cases where the claimant's entire permanent partial disability is due to more than one compensable injury, the amount of the award for the subsequent injury be offset by the amount awarded for the prior compensable injury;
- (12) Providing greater equity by not allowing part-time workers to receive the same compensation available to full-time workers;
- (13) Streamlining the process of settling and finalizing compromise claims;
- (14) Providing that employer requested examinations ordered by the Director of Labor and Industrial Relations not exceed more than one per case unless good and valid reasons exist with regard to the medical progress of the claimant's treatment;
- (15) Increasing the penalties for default in payment from ten to twenty percent of the amount of unpaid compensation;
- (16) Providing that interim medical reports be filed by physicians, surgeons, and hospitals at appropriate intervals instead of every twenty-one days;
- (17) Making fraudulent insurance acts, with regard to workers' compensation, subject to criminal penalties. In the alternative, administrative penalties may be applicable, and these administrative sanctions have been further strengthened in this measure;
- (18) Allowing employers with exemplary claims to secure insurance deductibles of \$5,000, \$10,000, or greater amounts, upon mutual agreement with the insurance carrier;

- (19) Establishing a mandatory premium discount of at least five percent for employers who have been certified as having effective safety and health programs;
- (20) Requiring public hearings on rate filings and increasing, from thirty to ninety days, the waiting period before rate filings take effect;
- (21) Creating the Workers' Compensation Insurance Administrative Special Fund (Special Fund) for the administration of workers' compensation insurance, to be repealed July 1, 2001. For each fiscal year beginning 1995-1996 until fiscal year 2000-2001, up to \$150,000 may be deposited into the Special Fund;
- (22) Allowing the Insurance Commissioner to award residual market service contracts through a bid process exempt from state procurement requirements;
- (23) Enabling the Insurance Commissioner to hire two auditors to assist in the assigned risk program study;
- (24) Providing that the Director of Labor and Industrial Relations conduct a feasibility study of coordinated health care delivery systems;
- (25) Requiring the Department of Labor and Industrial Relations to adopt rules for optional coordinated health care delivery systems in workers' compensation insurance no later than July 1, 1996. Also requires the Director of Labor and Industrial Relations to submit the rules to the legislature no later than December 1, 1995. The rules shall not be adopted if the legislature disapproves the rules by concurrent resolution during the regular session of 1996; and
- (26) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2133, 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. 2133, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Holt, Kanno, Anderson.  
Managers on the part of the Senate.

Representatives Yonamine, Menor, Tom, Say, White, Yamane, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 113 on H.B. No. 1472**

The purpose of this bill is to:

- (1) Reduce the low-income household renters income tax credit;
- (2) Reduce the food tax credit; and
- (3) Repeal the medical excise tax credit.

Your Committee has amended the bill by:

- (1) Reinstating the low-income household renter tax credit;
- (2) Repealing the excise tax credit; 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. 1472, 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. 1472, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi, Liu.  
Managers on the part of the Senate.

Senator Liu did not concur.

Representatives Say, Chang, Kawakami.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 114 on H.B. No. 1828**

The purpose of this bill is to resolve alleged breaches of the Hawaiian home lands trust by (1) settling disputed issues with finality and certainty, (2) providing a Hawaiian home lands trust fund for the payment of funds to the department of Hawaiian home lands over a period of up to twenty years, and (3) providing for the culmination and closure of various activities and goals initiated by past legislatures.

This bill is the fruition of the labor of many people over many years in attempting to rectify alleged injustices to the beneficiaries of the Hawaiian Home Lands trust established by the Hawaiian Homes Commission Act of 1920. In attempting to deal with the whole issue of Hawaiian home lands, your Committee has been cognizant of the extraordinary complexity and difficulty of this vast and important subject. Truly, because of what it resolves, the passage of this bill is a momentous event in the history of Hawaii.

Consequently, your Committee has frequently and diligently sought the expert advice of many people knowledgeable in the issues and subjects relating to Hawaiian Home Lands, including the state attorney general, the Department of Hawaiian Home Lands (hereafter the "department"), members of the Hawaiian Home Lands Trust Individual Claims Review Panel, the state bond counsel, the Native Hawaiian Legal Corporation, attorneys at law, title and escrow companies, members of the governor's Task Force on Department of Hawaiian Home Lands Land Title and Related Claims, the Independent Representative of the Native Hawaiian Beneficiaries of the Hawaiian Homes Commission Act, and many others.

The purpose of this extensive inquiry has been to ensure a complete understanding of all related issues as well as to assure the public good of all our citizens whose dollars will help to fund this resolution, and whose goodwill and firm resolve have helped to bring it about.

Indeed, throughout this process, your Committee has been impressed with the nearly unanimous feeling among our citizenry, both native Hawaiian and non-Hawaiian alike, that the time for this global resolution on behalf of the Hawaiian beneficiaries is ripe and, indeed, overdue. It is an action whose time has come.

The findings in the bill, which your Committee has substantially strengthened, emphasize the Legislature's assertion of its role as an independent decision- and policy-maker in our state government. Your Committee felt this confirmation was necessary for several important reasons.

The findings note that the Task Force and the Independent Representative were appointed to review the entire matter of the state's obligation to resolve all of the Hawaiian Home Lands claims, and that they fell short of achieving the full scope of their assigned tasks. Nevertheless, not unmindful of the results of the Task Force's labors, your Committee has provided for a bill, as amended herein, that goes well beyond their findings and recommendations in order to achieve what your Committee believes is a more just, comprehensive and widely accepted statutory resolution.

And, as Section 18 of the bill specifically confirms, the legislature, as the policy-making body of state government, has not considered the findings and recommendations of the Task Force and the Independent Representative to be a contract or to be in any way binding upon it, but instead to constitute findings and recommendations to the Legislature for ultimate legislative resolution.

The findings in the bill have also been expanded and refined to reflect some of the history behind this historic effort, particularly with regard to the wrongs suffered by the native Hawaiian people and the attempts by the Legislature over the past decade to make whole the Hawaiian Home Lands trust. These steps included the limited waiver of the state's sovereign immunity, the creation of remedies for beneficiaries to assert certain breach of trust and individual claims, and the correction by the state of a number of wrongful acts which have occurred since August 21, 1959.

The findings preface with clarity the statutory mechanics which explain precisely what is, and what is not, being resolved by this bill. The Purpose section which follows likewise restates these matters in a series of six principles which form the pillars of this statutory scheme. Section 4 refines even further the inclusion and exclusion of what is resolved by this bill.

Your Committee has gone to great lengths to ensure this comprehensive language in large part because of, and in response to, the ambiguities that appear in the Act of 1920, and which have plagued the determination and resolution of Hawaiian Home Lands issues since the Act's inception. For this reason, your Committee has striven to produce language that is clear, precise, and unambiguous. This attempt is realized in even greater detail and precision in the specific sections which follow.

Section 5 of the bill reaffirms all land patent grants, as issued, pertaining to lands affected by or arguably affected by the Hawaiian Homes Commission Act of 1920 up until July 1, 1988. Under Section 5, Section 4 and common principles of real property law, all appurtenant and related rights are similarly affected.

The primary purpose behind reaffirmation has been to bring certainty to all titles which spring from these patents. Further, this reaffirmation disposes of any challenge to the validity or authority of the governmental entity(ies) that issued and/or administered them. Your Committee has provided this and related language in the bill in part to ensure that meaningful and affordable title insurance on these lands remains available to Hawaii's residents, to assure that all manner of social and economic activities as have their root and base in good land title may flourish, and to quiet title to such lands as are now no longer in the trust but in the hands of other public and private owners.

In connection with this reaffirmation, your Committee requested that the department provide the Legislature with its complete list of all land patent numbers and tax key numbers which it has researched and gathered as part of its work of identifying the Hawaiian Home Lands. The department did so by its transmittal memorandum dated April 27, 1995, over the signature of its chair. This massive amount of information, containing over two thousand items of data in the form of tax map keys, grant numbers, and square footage, is a rich resource for all persons who might seek confirmation of the application of this bill to specific lands.

It must be emphasized that the resolutions set forth in this bill are not meant to be limited to the lands and grants listed in those materials. Nonetheless, these materials reassured your Committee that to the extent documentation for these claims exists, their resolution could be fairly achieved without compromising the objectives of finality and certainty.

The presence of the tax keys together with Section 5 of this Act serves to assure all affected land owners that their title is free and clear of clouds relating to Hawaiian home lands. To this end, the Legislature has caused a complete printed copy of this information, along with a copy of the department's letter, to be deposited with the department as well as the State Archives in order to ensure that public access.

One of the most important aspects of this bill is the inclusion in Section 6 not only of a comprehensive mechanism for funding the new trust fund set up in Section 7, but also the payment of a number of specific sums in final resolution of disputes affecting specific parcels.

Inasmuch as these financial resolutions involve the payment of a substantial amount of state funds, your Committee has obtained expert counsel in order to set up a sound financing mechanism. Subparagraph (1) of Section 6 of the bill, which is the primary location of this mechanism, was drafted by your Committee after careful consultation with the director of budget and finance to ensure its financial soundness and viability.

In addition to this funding mechanism, the bill contains several provisions which allow flexibility to the State in meeting its obligations in the future. These include the right to prepay the amounts owed, as well as the right to transfer land into the trust that is of equivalent value. That value is to be the "fair market value" at the time of the transfer. In these ways, the bill provides several complementary mechanisms for keeping the trust whole. In addition, of course, it preserves to the department its undiminished entitlement to funding under the state constitution.

All of this is consideration for resolution in full, by the mechanisms specified in the bill, of the claims specified in the bill. These are essentially (a) all title claims to all lands constituting or alleged to be Hawaiian home lands from 1921 to the present through the affirmation of land patents, and (b) all claims against the State for breaches of the trust from August 21, 1959 through July 1, 1988.

Not resolved by this bill are (a) non-title claims against the federal government (though the Act expressly resolves and releases the State from liability for derivative claims asserted by the federal government against the State), (b) claims for breaches of the trust by the State after 1988 (as specified in HRS chapter 673), and (c) individual administrative and monetary claims (as specified in HRS chapter 674.)

With regard to HRS chapter 674, your Committee has felt the need to amend that chapter to ensure that the title and other breach of trust claims, as resolved elsewhere in this bill, remain conceptually distinct from individual claims which may or may not relate indirectly to title matters. The purpose of these amendments in Sections 14 and 16 is to prevent the maintenance or resolution of individual claims by the Hawaiian Home Lands Trust Individual Claims Review Panel from clouding any of the titles to lands constituting or alleged to be Hawaiian home lands.

The new trust fund itself is made a part of the 1920 Act and is set up to provide annual funding for up to twenty years in order to allow the department the financial ability it needs to undertake such things as much-needed capital improvements for infrastructure. The department's fiduciary duty to the trust fund is confirmed, and fiscal reporting is built in.

The conduct of future legislatures has been a matter of considerable discussion by your Committee. Clearly, this Legislature is wholeheartedly committed to this comprehensive resolution of Hawaiian claims.

In this regard, it is significant to note that in the spirit of cooperation which has fostered this bill, the many native Hawaiians who have dialogued with your Committee in this process have expressed their willingness to trust the future to the goodwill and integrity of all Hawaii's people to see that the maximum twenty-year commitment provided in the bill in fact comes to pass. It is the clear intent and expectation of this legislature that future legislatures not renege on the commitments contained in this bill.

In Section 12, the bill revokes the earlier waiver of the State's sovereign immunity, to the extent not previously withdrawn as a matter of law, with some exceptions as specified. This section must be read in conjunction with Sections 13, 14, 15, and 16, which amend the aforementioned HRS chapters 673 and 674 in order to clarify the differences between the individual claims of beneficiaries and claims relating to title and other breach of trust allegations.

Section 12 should also be read in conjunction with the combination integration and severability provisions of Section 19. An integral concept of these provisions is that this bill is for the most part a package deal; if a successful challenge is brought to nullify a portion of this bill, the remainder will fall with it. The exceptions to this provision are that (a) the State's reassertion of sovereign immunity and revalidation of patents, and (b) certain specified resolutions, are fully severable and permanent.

Section 16 provides immunity from suit for any of the actions of the various participants in the process which has produced this bill.

Your Committee trusts that all who deal with this bill in the future will construe it in the true spirit of its intent and purpose, which, among other things, are the result of a labor of love. If we may modernize a Hawaiian proverb: E lawe nui ana kakou no loko a'e o keia mau kanawai. Let us all draw greatly from within these laws.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1828, 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. 1828, H.D. 2, S.D. 1, C.D. 1.

Senators Grauly, Ikeda, Aki, Baker, Solomon.  
Managers on the part of the Senate.

Representatives Arakaki, Tom, Say, Case.

Managers on the part of the House.

**Conf. Com. Rep. No. 115 on H.B. No. 745**

The purpose of this bill is to appropriate \$60,000 for the development of a comprehensive, statewide nonpoint source pollution control program in the Office of State Planning. This is a federally mandated program eligible for federal funds subject to a fifty percent state match.

Your Committee has amended this bill by:

- (1) Rewriting the purpose section to include the Department of Health Nonpoint Source Water Pollution Management Program;
- (2) Adding a new section describing federal funds available for the Department of Health Nonpoint Source Water Pollution Management Program;
- (3) Amending Section 128D-2, Hawaii Revised Statutes, to allow the use of the Environmental Response Revolving Fund for water pollution control;
- (4) Appropriating \$100,000 from the Environmental Response Revolving Fund for the Department of Health Nonpoint Source Water Pollution Management Program; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 745, 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. 745, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Tam, Chumbley, Liu.  
Managers on the part of the Senate.

Representatives Shon, Say, Jones, Santiago, Yoshinaga, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 116 on H.B. No. 48**

The purpose of this bill is to reaffirm the Legislature's policy-making function of establishing priorities for the State through appropriations, budget provisos, and other means for the various activities of the State.

The bill also:

- (1) Amends the definition of "agency" under the uniform information practices law to include corporations and other entities whose operations are funded by the State;
- (2) Transfers unspecified amounts from certain special funds, revolving funds, and accounts to the general fund;
- (3) Establishes the Medicaid Investigations Recovery Fund with revenues generated as a result of investigative and litigation costs ordered by the courts to be paid by those found guilty of Medicaid fraud;
- (4) Requires certain end-of-the-year procedures for general fund accounts and non-general fund cash balances; and
- (5) Requires certain one-time procedures for general fund, special fund, county fund, interdepartmental fund, and revolving fund accounts established prior to July 1, 1994.

Your Committee has amended the bill by:

- (1) Deleting the following:
  - (A) The findings and purpose section;
  - (B) Amendments made to Sections 37-31, 37-34, 37-35, 37-36, 37-37, 37-39, 37-66, and 92F-3, Hawaii Revised Statutes; and
  - (C) Sections 13 and 14 of the bill;
- (2) Inserting the sums to be transferred from certain special funds, revolving funds, and accounts to the general fund;
- (3) Requiring each department to submit a report for each non-general fund account to the Legislature no later than twenty days before the convening of each legislative session;
- (4) Effectuating the transfer of \$12 million in non-bond proceeds from the Dwelling Unit Revolving Fund to the general fund;
- (5) Effectuating the transfer of \$34 million in non-bond proceeds from the Homes Revolving Fund to the general fund;

- (6) Appropriating \$50,000 for legislative studies and contractual services by the Office of the Legislative Auditor; and
- (7) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 48, 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. 48, H.D. 2, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi, Liu.

Managers on the part of the Senate.

Representatives Say, Kawakami, Marumoto.

Managers on the part of the House.

**Conf. Com. Rep. No. 117 on H.B. No. 1787**

The purpose of this bill is to assist residents of the Hilo-Hamakua area on the island of Hawaii who are facing the closure of the Hamakua Sugar Company and the Hilo Coast Processing Corporation.

This bill:

- (1) Extends for one year the authorization to expend funds appropriated in the past two years to aid residents of the Hilo-Hamakua area; and
- (2) Makes other appropriations for purposes that include supporting agriculture, promoting economic development, re-training displaced sugar workers, supporting the continued use of existing housing, and providing social services.

Your Committee has amended this bill by:

- (1) Allowing former sugarcane employees of Mauna Kea Agribusiness to obtain low-interest loans to help meet their mortgage and other housing expenses;
- (2) Directing that a portion of a prior appropriation shall be expended by the Hamakua/North Hilo Agricultural Cooperative as a grant made pursuant to Chapter 42D;
- (3) Replacing the purpose section in Part III with language describing why the repair and maintenance of the Lower Hamakua Ditch is important to the region and how the public purpose would be served;
- (4) Creating a new Part IV and inserting a new purpose section for that portion of the bill making appropriations for various economic development, job training, technology, housing, and health programs;
- (5) Inserting the appropriation amounts; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1787, 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. 1787, H.D. 1, S.D. 2, C.D. 1.

Senators Ikeda, Iwase, Holt, Ige, Anderson.

Managers on the part of the Senate.

Representatives Say, Chang, Marumoto.

Managers on the part of the House.

**Conf. Com. Rep. No. 118 on H.B. No. 1920**

The purpose of this bill is to make technical corrections and substantive changes to the law governing the Hawaii Hurricane Relief Fund (Fund).

Your Committee upon further review has made the following amendments to H.B. 1920, H.D. 2, S.D. 2:

- (1) Added a definition of "companion policy";
- (2) Clarified that the insurance premiums referred to in the law are gross direct written premiums;
- (3) Clarified that companion policies be included in the computation of the total insurance assessment;
- (4) Stated that the total insurance assessment is based on gross direct written premiums from all licensed property and casualty insurers whether acting as servicing facilities or not, and includes other insurers acting as a servicing facility;

- (5) Deleted the requirement that the total assessment allocated to servicing facilities based on written premiums for hurricane insurance be as provided in the plan of operations; and
- (6) Made technical and nonsubstantive changes for purposes of style, clarity, and consistency.

The amendments made take into consideration the plan of operation followed in administering the Fund. Under the plan, both "companion policy" and "gross direct written premiums" are employed and reflect current terminology used in the trade and industry. The changes will better define the formula utilized by the industry.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1920, 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. 1920, H.D. 2, S.D. 2, C.D. 1.

Senators Ikeda, Holt, Anderson.  
Managers on the part of the Senate.

Representatives Menor, Say, Cachola, Yamane, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 119 on H.B. No. 1220**

The purpose of this bill is to appropriate general operating and capital improvement funds for the support of state government operations over the 1995-1997 fiscal biennium.

#### **STATE ECONOMIC OVERVIEW**

At no time in the history of the State has there existed a more urgent reason to bring about meaningful fiscal reform to the state budgetary process than at the present. Gone is the decade of the budgetary surplus and unfettered state government expansion; so too are the years of legislative complacency over the State's economic future. After almost ten years of economic growth, the State entered a new cycle of slow growth in 1991. Reports indicate that the growth rate of the gross state product in Hawaii fell in 1991 and remained at or near zero until 1994. The lackluster earnings of the State over the past several years reflect persistent and on-going weaknesses in Hawaii's economy. Moreover, most economic indicators predict only modest gains in Hawaii's economy over the next two years. The projected budgetary shortfall of \$250,000,000 for the current fiscal year and the next biennium provides an indicator of the tough economic times the State will face if decisive action is not taken by the legislature to regain control over the state budgetary process. Moreover, the state Council on Revenues issued an even less optimistic forecast for the State's economic future in its April 5, 1995 report by increasing its earlier estimate of the shortfall by another \$100,000,000.

In its approach to the development of this budget, your Committee turned a critical eye toward rectifying some of the underlying reasons for government inefficiency in Hawaii, including, but not limited to, the rate of government expansion and the increase in program spending over the past several years. Your Committee is committed to the development of a zero-growth budget that takes the necessary steps to avert the drastic funding reductions that will become necessary if the legislature fails to take action to restore discipline and accountability to the state budgetary process.

Your Committee subscribes to the widely-held belief that meaningful fiscal reform will not occur in the state budgetary process until changes are brought about by clear and decisive actions of the legislature. The changes imposed upon executive agencies under this budget will not be painless. A piecemeal approach to budgetary reform will not achieve the type of results sought by your Committee. While arbitrary cuts have been avoided, your Committee has called for spending reductions within the budgets of each branch of state government. In conjunction with other measures approved by your Committee, this budget will result in the development of a better focused, more efficient, and less cumbersome state operating system. While reducing program spending was a major element in the Committee's approach to the development of this budget, general fund savings have also been realized through the adoption of new and innovative revenue enhancement strategies and the creation of new means of financing mechanisms. The development of a leaner, more responsive state government serving the needs of the public from a foundation of less resources is the ultimate objective of your Committee. Your Committee believes that the foregoing objectives can only be attained by:

- (1) Downsizing and right-sizing programs and operations wherever possible;
- (2) Consolidating duplicative and overlapping functions and services whenever warranted; and
- (3) Eliminating ineffective and nonessential programs, services, and operations as necessary.

The sections that follow highlight the major budgetary changes and recommendations made by your Committee in developing the general appropriations budget for the 1995-1997 fiscal biennium.

#### **ECONOMIC DEVELOPMENT**

In keeping with its effort to promote efficiency in government, your Committee has pared back the budgets of various programs in the area of economic development. However, in recognition of the importance of the tourism industry to the State's economy, your Committee has allocated \$25,000,000 during each year of the upcoming biennium for the Hawaii Visitors Bureau. Your Committee finds that this commitment will enable the Hawaii Visitors Bureau to aggressively promote and develop the State's visitor industry.

## EMPLOYMENT

Your Committee finds that the School to Work Transition Centers of Waianae and Farrington High schools (Quick Kokua) provide vital and valuable services to meet the special needs of the communities of Waianae-Nanakuli and Kalihi-Palama. As such, your Committee has appropriated funds for four social workers and maintained funding for two public health nurses for these transition centers. The social workers and public health nurses directly address the complex and interrelated socio-economic problems of the students and their families in these communities in order to help the students make a successful transition from school to work, further education, or both.

## TRANSPORTATION FACILITIES AND SERVICES

Although the programs within the department of transportation are funded exclusively through non-general funds, the budgetary requests of the department were nonetheless scrutinized under the standards applied to all other programs of the State. In keeping with its objective to make across-the-board reductions in program spending, your Committee has made appropriate cuts in program spending throughout the transportation budget. After examining the department with equal scrutiny, your Committee has also denied all inflationary adjustments for the upcoming biennium.

## ENVIRONMENTAL PROTECTION

While various budgetary reductions have been made in the area of environmental protection, your Committee wishes to focus its discussion on one particular point of concern, namely, the apparent use of special fund moneys by the department of health for administrative and other non-intended purposes. Your Committee finds that the various special funds of the environmental management division of the department of health were established to address specific problems in the environment. The statutory provisions of each special fund clearly delineate the intended uses of each fund. However, recent reviews of the expenditures of the department reveal the wide use of special fund moneys for various inappropriate purposes. Your Committee intends to further review this concern.

## HEALTH

In keeping with the Committee's theme of maximizing the use of resources, a bold step has been taken by your Committee to improve the fiscal administration of the state hospital system. Over the years, the hospitals have moved slowly toward greater autonomy within the state system. Under measures pending before the legislature, even more progress will be made in moving toward that direction. S.B. No. 1674 will serve to lift the yoke of the State from hospital administration, while keeping the system entirely accountable to the legislature. By easing constraints on purchasing and pay for staff, hospitals will be able to use their resources more efficiently and begin to attract the best and the brightest in the field.

Your Committee finds that the hospitals have consistently demonstrated the capacity to generate sufficient funds to sustain themselves as a system. Legislation approved by your Committee will begin to relieve the State of its general fund obligation to the state hospital. This action will result in a decrease of over \$24,000,000 in general funds over the 1995-1997 fiscal biennium.

During its review of the budgetary practices of the state hospital, your Committee uncovered several highly questionable fiscal practices. Specifically, your Committee found that significant amounts of unbudgeted funds, as well as funds budgeted for permanent nursing positions were diverted by the state hospital into contracts for the purchase of these services. Information reviewed by the Committee reveals that for more than five years, contracts have been issued to the same contractor through the non-bid process for the purchase of nursing services. Had the legislature's instruction to establish permanent nursing positions been faithfully executed, the state hospital would undoubtedly have been in full compliance with the federal requirement for minimum levels of staffing. Compliance would have also ensured adequate levels of care for state hospital patients and would have avoided the need to approve the additional \$2,900,000 requested for both fiscal year 1995-1996 and 1996-1997 to supplement these services. In addition, part of the \$6,200,000 emergency appropriation for the child and adolescent mental health division was to cover other services provided by the same interest. Because of the questionable nature of these transactions, your Committee has included several provisos in this budget to ensure greater accountability in the future. Your Committee feels that a thorough examination of the agency's budgetary practices is necessary.

Because of the gravity of the Felix v. Waihee consent decree and its potential programmatic and fiscal implications, your Committee has taken all the necessary steps to ensure that resources remain in the appropriate expending agencies and that funds appropriated are utilized to the best extent possible. Your Committee has directed the department of health to take steps to facilitate the development of the Hawaii Ohana Project. A federal grant of over \$18,000,000 for the next five years provides for the development of a community-based system of child care for children in Waianae and the leeward district of Oahu. This project integrates seamlessly with the mandates of the Felix v. Waihee consent decree, and may serve as a model for a statewide continuum of care for Hawaii's children.

## SOCIAL SERVICES

In keeping with its commitment to consolidate or eliminate inefficient or duplicative programs of the State, your Committee has taken the initial steps toward the elimination of the office of children and youth during the 1996-1997 fiscal year. The functions of the foregoing programs have been transferred to the department of human services.

Your Committee has also provided for the transfer of the state commission on the status of women from the department of human services to the office of the lieutenant governor. The realignment of the commission from the social services program area to the government-wide support area will enable the commission to operate more efficiently. While funding for the commission has been reduced, your Committee believes that sufficient funds have been allocated to ensure full operation of the program.

Your Committee also called for the phase-out of the Job Opportunities and Skills (JOBS) program in the second half of the 1995-1997 biennium. The purpose of the program is to assist individuals in families receiving Aid to Families with Dependent Children (AFDC) assistance to achieve financial self-sufficiency. Regretfully, however, after five years of operation, the JOBS program shows no progress toward the attainment of its principal objective. According to the state auditor, the program is costly, inefficient, and wasteful of time and resources. Based on program expenditures, the auditor estimated the cost of processing each successful exit client in the JOBS program to be nearly \$100,000. Moreover, during fiscal year 1994-1995, the department of human services requested an additional emergency appropriation of \$4,060,557 in general funds to supplement the cost of the AFDC program. Your Committee further finds that the JOBS program is scheduled to conclude on September 30, 1995 and that the likelihood of renewal by the federal government is uncertain. The foregoing factors have led your Committee to remove the JOBS program from the budget in fiscal year 1996-1997 to await Congressional action in restructuring the program. The program may be left the same, expanded, or downsized depending on the amount of federal funds available.

Your Committee further finds that cost of operating the various assistance programs under the department of human services has escalated steadily over the years. For fiscal year 1994-1995, an additional appropriation of \$19,751,055 was appropriated during the current legislative session to cover payments to assist families with dependent children, general assistance expenses, and the QUEST program. During periods of fiscal austerity, the high cost of these programs become even more apparent. Other state programs are affected as limited resources are diverted to cover the needs of these assistance programs. The clear trend in other States has been to cut back on the funding of these payment programs. Your Committee supports measures to control the growth of these payment programs, such as a new sixteen hours per week work requirement for AFDC recipients and block grant funding for the general assistance program.

In reviewing the budget of the department of Hawaiian home lands, your Committee found sufficient amounts of non-general fund moneys within various special fund accounts to fund a number of positions in the department. In this regard, your Committee has changed the means of financing of these positions from general funds to the alternate sources identified.

## EDUCATION

This year, the budgetary process of the department of education rose to new levels of obscurity. While the department did submit adequate documentation for its request items, the bulk of the department's \$700,000,000 current services budget escaped the scrutiny of the governor's review. The budget submitted to the legislature was fraught with highly questionable budget practices, and were it not for the exhaustive review of your respective Committees, much of this suspect activity would have avoided the light of responsible review. Along with a budget that was deceptive in its construction, the department held firm to claims that the executive and the legislature would leave the department seriously underfunded if the budget were passed as is. Your Committee, in its review, feels assured that this is not the case, and that much of the money that has been appropriated to the department has not been expended in a manner that serves the best interest of Hawaii's children. Because of the direct correlation between proper resource distribution and the success of instructional programs, your Committee believes that the department bears a fundamental responsibility to provide detailed, factual, and straightforward budgetary information to the executive and the legislature.

After reviewing the department's budget, your Committee found many of the department's claims relating to anticipated shortfalls to be without substantiation. Through the redistribution of moneys that the department had acknowledged were overages in programs, your Committee was able to direct substantial amounts of funding to regular instruction. The deficits of \$9,000,000 and \$12,000,000 that the department had placed against regular instruction have been fully funded. Through its review and actions, your Committee has developed a budget that goes far beyond the executive budget in putting our schools as the highest priority.

In the area of regular instruction, your Committee has provided for the addition of nearly three hundred teachers for the classrooms of Hawaii. While the bulk of these positions are newly appropriated by the legislature, your Committee thought it prudent to redirect additional instructional positions from the state and district offices to the schools. The department has been given a year to make this transition that will again place more emphasis in direct classroom instruction. Equipment and books were provided for twenty-two new schools.

Your Committees have had many opportunities to hear the concerns of parents, students, and educators throughout the State through correspondence and in various community hearings. One of the most common pleas was for the legislature to address the on-going shortage of textbooks and library books for our schools. Your Committee was appalled at the depth and severity of the problem. Fortuitously, in the process of examining the budget, your Committee had uncovered a substantial amount of federal funds that were not accounted for in the executive budget. The \$3,600,000 grant was given by the United States Department of Defense to accommodate some of the burden placed on the system by the enrollment of military dependents, with flexibility of use granted to the department. With the approval of the department, your Committee has provided \$3,200,000 of the federal funds specifically for the acquisition of student texts and library books for all Hawaii schools, with the balance of \$400,000 going to support the Superintendent's Success Compact for literacy. For the second year of the biennium, \$1,900,000 for library books will be provided out of the State's general fund.

Because of a concern of not diverting resources from the classroom, your Committee has also provided \$1,300,000 for each year of the biennium to allow the department to meet its workers compensation obligation. Knowing that education is a high priority, the department of education was the only department in the State provided with additional moneys to meet such costs.

Finally, your Committee wishes to discuss the matter of using available resources in a manner that directs both resources and energies to the classroom. We believe that this budget has taken a dramatic step in this direction. Through the use of provisos, your Committee hopes to address concerns in personnel policies, inefficient budgeting for equipment, and overall budgeting practices.

### HIGHER EDUCATION

While funding in the area of higher education has been reduced significantly, your Committee has developed several revenue enhancement mechanisms to offset some of the reductions envisioned in this budget. Although cutbacks in various areas are necessary, your Committee believes that the reductions proposed by the governor--\$7,200,000 for the remainder of fiscal year 1994-1995; \$14,400,000 for fiscal year 1995-1996; and \$14,400,000 for fiscal year 1996-1997--are too drastic in several respects. For example, the cutbacks envisioned by the governor appear to disproportionately impact the statewide system of community colleges.

As noted above, your Committee, through the approval of S.B. No. 937, has developed various mechanisms to offset some of the reductions in funding proposed in this budget. The bill establishes a special fund to provide the University of Hawaii with greater budgetary flexibility and enable the use of self-generated revenues from various sources toward the development and improvement of existing programs. The bill proposes several revenue generating mechanisms to maximize the earnings of the special fund, including but not limited to: (1) expanding the burden on non-residents; (2) increasing the fee charged under the university's apprenticeship program; and (3) appropriating the earnings of a non-general fund revenue source under the university to the special fund. The non-general fund revenue generating mechanisms established by your Committee to offset the reductions in general fund appropriations will ensure program continuity within Hawaii's institutions of higher education.

### CULTURE AND RECREATION

While it fully supports the growth and expansion of the arts in Hawaii, your Committee made various reductions in the amount of funds to be allocated to the state foundation on culture and the arts. Although the reductions are sizable, your Committee finds that the funding cuts will not preclude the foundation from issuing grants in the 1995-1997 fiscal biennium.

### PUBLIC SAFETY

Two major issues of concern for your Committee in the area of public safety included the problem of prison overcrowding and the high cost of overtime pay for department of public safety personnel. To address the matter of prison overcrowding, your Committee has allocated funds for the operation of an eighty bed dormitory on Kauai and a seventy-two bed dormitory on the island of Hawaii.

In its examination of the public safety budget, your Committee focused particular attention upon the department's efforts to control overtime costs. Preliminary studies indicate that \$1,200,000 could be saved if lockdown procedures are instituted at facilities in lieu of payment of overtime fees to corrections employees. Your Committee acknowledges and concurs with the administration's effort to remedy the situation and is hopeful that the lockdown plan will reduce overtime costs.

Your Committee is also committed to the maintenance of adequate health services at correctional facilities. Additional positions and funds have been appropriated to enable the health care division of the department of public safety to provide efficient and effective mental health services. The additional resources will enable the health care division to comply with the requirements of the consent decree to provide adequate health care.

### GOVERNMENT-WIDE SUPPORT

In keeping with its effort to eliminate duplication among state programs, your Committee has abolished the office of international relations, whose functions have been taken in by the department of business, economic development, and tourism. To reduce expenditures and curtail further program expansion, your Committee has imposed various fiscal constraints on the office of the governor and the office of state planning.

### CONCLUSION

As noted in the introductory section of this report, the challenges currently facing the people of Hawaii are unprecedented in the history of the State. The choices made by your Committee in the course of developing this budget have been difficult, but the economic realities of the present dictate that we all share in the sacrifices that must be made. In addition to the budgetary reductions called for in this budget, spending cuts have been made in the budgets of the legislature, the judiciary, and the office of Hawaiian affairs.

The future of the State is literally at stake; the actions of the legislature at this juncture will play a pivotal role in affecting the bearing of our path into the next century. Your Committee is committed to positively influencing this outcome, and that this commitment has been reflected in its work on this measure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1220, 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. 1220, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi.  
Managers on the part of the Senate.

Senator Liu did not sign the report.

Representatives Say, Kawakami, Alcon, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 120 on H.B. No. 1262**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the judicial branch during the 1995-1997 fiscal biennium.

After almost a full decade of economic prosperity in Hawaii, the State entered a new cycle of slow economic growth in 1991. Over the past four years, Hawaii has experienced a serious decline in its economy due to a series of events including the Persian Gulf War, Hurricane Iniki, and a lingering national recession. Changing priorities in the United States Congress have also cast uncertainty on many federally funded programs that the State relies upon to serve its people.

Your Committee began its fiscal deliberations with a projected shortfall of \$350,000,000 over the next two and one-half year period. This projected shortfall provides an alarming indicator of the troubled times the State may face if immediate and decisive action is not taken to re-establish legislative control over state spending. Your Committee is committed to the development and passage of a fiscally responsible budget that takes prudent steps to avert the drastic actions that will undoubtedly become necessary if the legislature fails to restore discipline and accountability to the state budgetary process.

Your Committee recognizes that the Judiciary meets its constitutional responsibilities at a high cost to the State. This problem is further exacerbated by poor fiscal accountability and the continued failure to operate under established budgetary and management practices. While the Judiciary has made significant progress in improving its budget system since 1989, there are many areas that still need to be improved. The way in which the Judiciary restricts, adjusts, and transfers moneys within its organization defeats the budgetary process and is of serious concern to your Committee. Your Committee concurs with the Auditor's Report entitled "Audit of the Judiciary's Management of its Resources (95-1)", that cites these problems as important issues for the Judiciary to resolve.

An efficient budgeting process is based on overall administrative priorities. However, the Judiciary does not give programs sufficiently explicit overviews of such priorities or administrative direction. The lack of clear communication of priorities and direction has resulted in diverse and contradictory program execution. Your Committee emphasizes the need for the Judiciary to improve collaboration between overall objectives, priorities, and actual program expenditures to produce an efficient budget.

Among the most egregious examples of budgetary mismanagement are the questionable tactics employed by the Judiciary's budget and statistics division of intentionally restricting and reallocating legislative appropriations to create a "reserve contingency fund". These funds are then expended for emergency and unanticipated needs which do not directly address the purpose for which they were appropriated. This practice demonstrates the Judiciary's lack of confidence in its court administrators to set priorities, handle emergencies, and execute legislatively approved activities with the resources provided. The Judiciary needs to respect legislative intent by closely following its budget appropriation and end the practice of restricting public services to fund large contingent purchases with the resulting operational cost savings.

In finalizing the Judiciary's budget, your Committee appropriated the funds necessary for the Judiciary to meet its current program and operational expenses without resorting to the elimination of "warm body" positions.

In conclusion, your Committee has crafted this budget with a view toward the economic realities confronting the State as well as varied proposals, concerns, and objectives of the public, the Judiciary, the House of Representatives, and the Senate. Your Committee believes that this Budget provides an equitable and fiscally responsible allocation of resources to the Judiciary that will serve the people of the State and set the course for budgetary discipline in the future.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1262, 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. 1262, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi, Liu.  
Managers on the part of the Senate.

Senator Bunda did not sign the report.

Representatives Say, Kawakami, Alcon, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 121 on H.B. No. 1780**

The purpose of this bill is to provide the necessary appropriations to the office of Hawaiian affairs (OHA) for the 1995-1997 fiscal biennium.

After almost a full decade of economic prosperity in Hawaii, the State entered a cycle of slow economic growth in 1991. Over the past four years, Hawaii has experienced a serious decline in its economy due, in part, to the effects of the Persian Gulf War, Hurricane Iniki, and a lingering national recession. Changing priorities in the United States Congress have also cast uncertainty on many federally-funded programs that the State relies on to serve its people.

Your Committee began its fiscal deliberations with a projected shortfall of \$350,000,000 over the next two and one-half years. This projected shortfall provides an alarming indicator of the troubled times the State may face if immediate and decisive action is not taken to reestablish legislative control over state spending. Your Committee is committed to the development and passage of a budget that takes prudent steps to avert the drastic actions that will undoubtedly become necessary if the legislature fails to restore discipline and accountability to the state budgetary process.

In the past, your Committee has expressed concern over OHA's questionable and inconsistent use of trust funds. Unfortunately, this concern was again a major issue in your Committee's examination of OHA's budget request for the upcoming biennium.

As noted above, OHA's arbitrary use of trust fund moneys continues to be a troubling issue. Your Committee finds that OHA has used trust fund moneys in the past to create staff positions that were not authorized by the legislature. Subsequent to the unauthorized creation of these positions, OHA came to the legislature for matching general funds to sustain these positions. For these reasons, OHA's current request for matching general funds is denied.

Your Committee also found that OHA had extra capacity in selected expense items in many of its programs. After correspondence with program officers, your Committee reduced OHA's funding to reflect actual budgetary requirements for the expense items in question.

Discrepancies in expense reporting are also of concern. Expense amounts reported to the legislature in budget justification tables did not match expense amounts reported by respective program officers, thus impeding your Committee's ability to evaluate OHA's budget requirements. Your Committee encourages OHA to develop a budget that is concise, and to provide the legislature with budget justification tables that accurately reflect both current funding requirements and previous funds expended for various items, as reported to OHA's administration by OHA's program officers.

Despite these concerns, your Committee wishes to acknowledge the fact that OHA has made progress in its efforts to improve the condition of people of Hawaiian descent. General funds with matching special funds for worthwhile programs such as Alu Like, Waianae Diet, Maui Early Education, Kawai Ola O Oha, Native Hawaiian Revolving Loan Fund, Self Help Housing and various other services administered by OHA are therefore appropriated for the 1995-1997 fiscal biennium.

Your Committee encourages OHA to search for ways to economize on its administrative costs and concentrate on services that will best advance conditions for all Hawaiians.

Your Committee has thoroughly reviewed the various issues and funding requests from OHA and is confident that a fair and fiscally responsible budget has been formulated. Although requests to expand services have been denied, your Committee feels that the proposed budget will enable OHA to meet the needs of OHA's program endeavors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1780, 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. 1780, H.D. 1, S.D. 1, C.D. 1.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi, Liu.

Managers on the part of the Senate.

Representatives Say, Kawakami, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto, Ward.

Managers on the part of the House.

Representative Alcon did not sign the report.

#### **Conf. Com. Rep. No. 122 on S.B. No. 82**

The purpose of this bill is to institute a multi-faceted attack on crime by providing a wide range of rehabilitative services and alternatives to incarceration, and by establishing a drug court.

Your Committee finds that these programs, including intermediate sanctions, electronic monitoring, sex offender and substance abuse programs, increased numbers of parole officers, and residential work-furlough programs offer the best solutions to decreasing crime in Hawaii.

Your Committee has amended the bill by:

- (1) Adding sections permitting the use of intermediate sanctions;
- (2) Amending the judiciary's appropriation to cover only the drug court;

- (3) Amending the department of public safety's appropriation to cover only the electronic monitoring program; and
- (4) Making technical, nonsubstantive corrections for the purposes of accuracy and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 82, 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. 82, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Grauly, Baker, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives McMurdo, Tom, Say, Case, Meyer.  
Managers on the part of the House.

**Conf. Com. Rep. No. 123 on S.B. No. 201**

The purpose of this bill is to:

- (1) Create a temporary task force to convene representatives from communities around the State for the development of a comprehensive program for improving Hawaii's ability to protect its environment; and
- (2) Allow the Director of the Department of Land and Natural Resources (DLNR) to consider forming a citizen-based extension service to assist state personnel in monitoring and enforcing environmental regulations.

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

- (1) Creating an environmental advisory task force within the Department of Health (DOH), rather than an environmental task force within the Office of State Planning, which shall:
  - (a) Advise and comment on the procedures used by DOH to promote grass-roots participation in environmental issues of concern in Hawaii, including DOH's efforts to adopt goals and objectives for environmental protection;
  - (b) Direct DOH's efforts to promote environmental education programs and initiatives; and
  - (c) Serve as a forum for public participation and comment on the environmental goals and objectives adopted by DOH.
- (2) Broadening the composition of the task force;
- (3) Requiring that the task force use an internal timetable for the accomplishment of its tasks;
- (4) Requiring that the task force provide status, interim, and final reports to the legislature;
- (5) Allowing DOH to receive and expend monetary donations and gifts for the accomplishments of the task force's duties; and
- (6) Making a general fund appropriation of \$15,000 to reimburse task force members for expenses incurred during the performance of their duties.

It is the intent of your Conference Committee to encourage other government agencies to work with DOH in the development of a sound environmental protection strategy, for the mutual benefit of all of Hawaii's people and the environment.

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

Senators Ikeda, Tam, Aki, Liu.  
Managers on the part of the Senate.

Representatives Shon, Say, Kanoho, Santiago, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 124 on S.B. No. 304**

The purposes 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 on Conference is in accord with the intent and purpose of S.B. No. 304, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 304, H.D. 1, C.D. 1.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi, Liu.

Managers on the part of the Senate.

Representatives Say, Kawakami, Alcon, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto, Ward.

Managers on the part of the House.

**Conf. Com. Rep. No. 125 on S.B. No. 458**

The purpose of the bill is to develop strategies to address the needs of displaced sugar workers in danger of losing their homes by providing for:

- (1) The development and implementation of strategies to provide affordable housing;
- (2) An emergency loan program; and
- (3) A grant program to finance the temporary relation of families.

Your Committee on Conference finds that the Waialua Sugar Company has announced that it will be terminating its operations on approximately twelve thousand acres of land in the Waialua area by the spring of 1996. Incremental layoffs have already begun as of March 1995. The next wave of layoffs will take place in September of this year. Housing ranks among their primary concerns. Currently, many employees and their families live in plantation homes owned by the company. With the closing of Waialua Sugar Company, many of these families face the possibility of losing their homes.

The immediacy of this closure will result in significant negative impacts to the Waialua sugar workers and the shutdown will threaten the economic and social stability of the entire Waialua area of the North Shore of Oahu.

Thusly, your Committee recognizes that all displaced sugar workers are in need of the State's assistance, however, due to the critical nature facing the workers of Waialua Sugar Company, your Committee feels that these workers warrant immediate assistance.

In light of this, your Committee on Conference has amended the bill to provide relief specifically for Waialua Sugar Company workers and to:

- (1) Appropriate out of the rental assistance revolving fund of the State of Hawaii the sum of \$75,000 for the development and implementation of strategies to provide affordable housing for the displaced workers of Waialua Sugar Company;
- (2) Appropriate \$664,000 out of the rental assistance revolving fund of the State of Hawaii for emergency loan and grant programs to provide temporary assistance and relocation of families of displaced workers of Waialua Sugar Company;
- (3) Delete the requirement that loan program rules be adopted pursuant to chapter 91, Hawaii Revised Statutes, to expedite the loan process; and
- (4) Delete the appropriation from general funds to develop and implement a grant program to finance the temporary relocation of families displaced by the closure or downsizing sugar companies.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 458, 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. 458, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Bunda, Chumbley, Holt, Liu.

Managers on the part of the Senate.

Representatives Arakaki, Kawakami, Kahikina, M. Oshiro, Kawananaoka.

Managers on the part of the House.

**Conf. Com. Rep. No. 126 on S.B. No. 1626**

The purpose of this bill is to authorize indefinitely the deposit of overhead funds into the housing assistance revolving fund. It specifically repeals the termination date for the deposit of overhead funds into the housing assistance revolving fund.

Your Committee finds that the housing assistance revolving fund is used to assist eligible faculty of the university who lack sufficient financial resources to purchase a principal residence. The fund has been proven to be a useful tool for faculty recruitment and retention.

Your Committee has amended the bill by adding a new section to specifically repeal the termination date of the deposit of overhead funds into the discoveries and inventions revolving fund that is scheduled for the end of the 1995-1996 fiscal year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1626, 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. 1626, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Ige, Iwase, Taniguchi, Liu.  
Managers on the part of the Senate.

Representatives Lee, Say, Ito, Tarnas, Marumoto.  
Managers on the part of the House.

**Conf. Com. Rep. No. 127 on S.B. No. 1336**

The purpose of this bill is to:

- (1) Establish the Hui 'Imi advisory council;
- (2) Extend the appropriation contained in section 12 of Act 200, Session Laws of Hawaii 1994, to fiscal year 1995-1996 for the Hawaiian sovereignty election council.

The function of the Hui 'Imi Pono advisory council is to advise the legislature, the governor, the office of Hawaiian affairs, the department of human services, the department of Hawaiian home lands, and major private Hawaiian organizations on issues regarding Hawaiian services and programs.

Your Committee has amended the bill by:

- (1) Providing that the initial member organizations that serve on the Hui 'Imi Pono advisory council shall be the organizations listed in the bill;
- (2) Deleting the provision concerning the role of the lieutenant governor in appointing member organizations to the council;
- (3) Deleting the provision authorizing the lieutenant governor to add or remove organizations from the membership of the advisory council;
- (3) Requiring the the advisory council to establish rules determining quorum requirements;
- (4) Changing the initial member organization Lunalilo Home to be designated as The Lunalilo Home;
- (5) Deleting the extension of the appropriation contained in Section 12 of Act 200, Session Laws of Hawaii 1994;
- (6) Deleting the appropriation for completing the plebiscite-related functions and planning an election of delegates;
- (7) Deleting the appropriation for conducting an election of delegates and for expenses incurred during the first month of Hawaii convention costs;
- (8) Deleting the section pertaining to the role of the department of accounting and general services for the purposes of expending funds for the plebiscite functions, planning of delegates, and conducting an election of delegates and for expenses incurred during the first month of Hawaii convention costs;
- (9) Changing the amount appropriated for the purpose of staffing the Hui 'Imi Pono advisory council from \$1 to \$40,500 for fiscal year 1995-1996 and from \$1 to \$40,500 for fiscal year 1996-1997; and
- (10) 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. 1336, 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. 1336, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Aki, Kawamoto, McCartney, Liu.  
Managers on the part of the Senate.

Representatives Arakaki, Say, Kanoho, Kawakami, Kawanakoa.  
Managers on the part of the House.

**Conf. Com. Rep. No. 128 on S.B. No. 487**

The purpose of this bill is to extend until August 1, 1997, the moratorium on manufacturers and jobbers of petroleum products from opening any additional company-operated retail service stations.

Specifically, this bill:

- (1) Allows manufacturers and jobbers of petroleum products to open a maximum of two additional company operated retail service stations up to August 1, 1997;
- (2) Allows the replacement of company-operated retail service stations that have closed due to expiration or termination of the station's ground lease, provided that the manufacturer/jobber negotiates in good faith to renew the ground lease and the replacement station is located within a two-mile radius of the station it replaces;

- (3) Requires the attorney general to provide a legal opinion to the legislature on the question of whether permanent "divorcement" would constitute a "taking" in violation of the Fifth Amendment of the United States and Hawaii constitutions;
- (4) Requires the legislative reference bureau, in consultation with other agencies, to study the issues surrounding this issue of divorcement to formulate policies that protect the short-term and long-term interests of gasoline consumers in Hawaii; and
- (5) Providing a civil penalty of \$1,000 per day for each violation of this prohibition.

After due consideration, your Committee finds that the attorney general's legal opinion is of primary concern and that further study of this issue is not necessary. For this reason, your Committee has deleted section 5 of the bill that required the study. Your Committee has also changed the two-mile radius requirement to a one-mile radius requirement.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 487, 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. 487, S.D. 1, H.D. 1, C.D. 1.

Senators Grauly, Holt, Matsuura.  
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Menor, Tom, White, Yoshinaga, Thielen.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 129 on S.B. No. 493**

The purpose of this bill is to establish the electronic prescription accountability system within the department of public safety to monitor the prescribing and dispensing of schedule II controlled substances.

In addition, this bill:

- (1) Establishes reporting requirements, specifies the operational parameters of the electronic prescription accountability system, describes the operation of a central repository for information storage and retrieval, and prohibits the disclosure of information except to certain law enforcement personnel and agencies;
- (2) Establishes the controlled substance registration special fund for the purposes of offsetting the cost of the foregoing system and the registration and control of controlled substances within the State, specifies the source of revenues for the special fund, makes a start-up appropriation of \$1 to the special fund, and requires the start-up appropriation to be repaid to the general fund by June 30, 1997; and
- (3) Appropriates \$1 to the department of public safety (out of the controlled substance registration special fund) for the implementation of the foregoing system, the establishment of two full-time equivalent (2.00 FTE) investigator V positions, and other current expenses.

Your Committee finds that the inappropriate, nonmedical use of illicit prescription drugs is a serious public health concern. According to the 1990 National Household Survey on Drug Abuse, an estimated 8,500,000 people twelve years or older used controlled sedatives, tranquilizers, stimulants, or analgesics for nonmedical reasons at least once during the preceding year. According to the National Institute on Drug Abuse-sponsored survey of drug treatment facilities around the country, approximately ten per cent of the patients' principal drugs of abuse were drugs that may be prescribed. The Drug Enforcement Administration has estimated that the illegal diversion of legal controlled substances constitutes a \$25,000,000,000 a year market.

Your Committee also finds that a controlled substance electronic prescription accountability system can efficiently and effectively detect and reduce the use of retail prescription practices to obtain prescription drugs for improper purposes.

Your Committee has amended this bill by:

- (1) Deleting the appropriation provisions;
- (2) Allowing the special fund to be used to fund positions authorized by the legislature by law;
- (3) Authorizing the fund to receive legislative appropriations; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 493, 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. 493, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Grauly, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives Pepper, Tom, Menor, Say, Anderson.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 130 on S.B. No. 550**

The purpose of this bill is to:

- (1) Authorize the Housing Finance and Development Corporation (HFDC) to plan educational facilities and related infrastructure ancillary to the needs of its housing projects;
- (2) Transfer the title of the parcel of land encompassing 47.183 acres located in Kapolei, from the board of land and natural resources (DLNR) to HFDC to be used for a Kapolei high school; and
- (3) Require that upon completion of construction of the educational facility, title to the land and improvements be conveyed back to DLNR without encumbrances.

Statistics indicate that there is a severe shortage of classrooms in the central and leeward school districts. The need for school facilities on the Ewa Plain in particular is exacerbated by the development of the Villages of Kapolei, a project of the housing finance and development corporation. The construction of educational facilities for these new communities is not being undertaken in keeping with the development of these new housing projects.

Your Committee on Conference, is cognizant of the fact that HFDC's primary focus is in affordable housing. However, your Committee feels that, as the State's unique role as master developer of planned communities, it is the State's responsibility to provide for the educational needs of HFDC's housing projects.

In light of this, your Committee has amended the bill to:

- (1) Add a section stating the legislature's findings and purpose;
- (2) Require the department of education (DOE) to add to its list of considerations in the planning and development of schools, the role of the HFDC in developing housing projects and the resulting educational needs of those housing projects;
- (3) Require HFDC in cooperation with the DOE and the department of accounting and general services (DAGS) to plan educational facilities and related infrastructure as a necessary and integral part of its housing projects using all its innovative powers towards achieving that end expeditiously and economically; and
- (4) Provide HFDC an option for locating the Kapolei high school either in the Villages of Kapolei or on the 47-acre parcel of land being transferred to it by DLNR, and to further provide that if located in the Villages of Kapolei, then HFDC may use the 47 acres for additional housing as part of the Villages of Kapolei; and
- (5) Require that HFDC plan the Kapolei high school in cooperation with DAGS and DOE.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 550, 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. 550, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Bunda, Chumbley, Liu.  
Managers on the part of the Senate.

Representatives Stegmaier, Arakaki, Say, Jones.  
Managers on the part of the House.

Representative Halford did not sign the report.

**Conf. Com. Rep. No. 131 on S.B. No. 944**

The purpose of the bill is to enact a new law on money laundering to provide a comprehensive strategy to combat the economic effects of money laundering.

The bill, as received, makes it a class B felony to knowingly transport, transmit, transfer, receive, or acquire property that is the proceeds of unlawful activity or conduct a transaction involving such property or to knowingly engage in the business of conducting, directing, planning, organizing, initiating, financing, managing, supervising, or facilitating transactions involving such property, with the intent to further the unlawful activity or knowing the action is designed in some measure to conceal or disguise the nature, location, source, ownership, or control of the proceeds or to avoid a state or federal transaction reporting requirement. The bill also repeals the existing money laundering law set forth in chapter 708, part XI, Hawaii Revised Statutes.

Your Committee finds that money laundering is an integral component of criminal networks. The continuous flow of money and property into illegal drug use requires a veil of legitimacy to avoid arousing suspicion. This apparent legitimacy frequently is provided through money laundering efforts of financial advisors, lawyers, and others drawn to the illegal drug trade by the allure of quick, easy wealth.

Your Committee also finds that the present law with respect to money laundering contains numerous loopholes that can be used to defeat the intent of the statute. The major loophole involves the requirement that the money laundering be conducted in a single transaction of \$5,000 or more. This allows money launderers to structure transactions so that they will not reach the \$5,000 threshold.

Your Committee has amended this bill to conform it to the federal statute relating to money laundering. In particular, your Committee has included in the prohibited acts knowingly conducting or attempting to conduct a financial transaction involving property represented to be proceeds of specified unlawful activity or property used to conduct or facilitate

specified unlawful activity, with the intent to further the unlawful activity or knowing the action is designed in some measure to conceal or disguise the nature, location, source, ownership, or control of the proceeds. Your Committee also has dealt with the monetary threshold problem by deleting the reference to "financial gain of \$10,000 or more" in the definition of "specified unlawful activity" and instead, making the prohibited acts and penalty applicable to any person committing the specified acts if the person believes the value or aggregate value of the property transported, transmitted, transferred, received, or acquired is \$10,000 or more or if the value or aggregate value is, in fact, \$10,000 or more. Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 944, 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. 944, S.D. 1, H.D. 1, C.D. 1.

Senators Gaulty, Matsunaga, Matsuura, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Hamakawa, White, Kawananaoka.  
Managers on the part of the House.

Representative Yamane did not sign the report.

#### **Conf. Com. Rep. No. 132 on S.B. No. 1141**

The purpose of this bill is to appropriate funds, on a matching basis, to support the Hawaiian Sugar Planters' Association's (HSPA) experiment station and its efforts in sugarcane research and in research for the development of new crops and the maintenance and improvement of current crops.

Your Committee finds that sugar is one of the State's most important industries and is in the process of downsizing with important consequences for the State. There is a continuing need for sugarcane research and for research into diversified agriculture. The HSPA's experiment station provides much needed research that is of benefit to all. Without funding, the experiment station will be required to cut back on its research efforts.

Upon further consideration, your Committee has amended the bill by inserting the amount of \$1,000,000 as the appropriated amount for fiscal year 1995-1996.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1141, 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. 1141, S.D. 2, H.D. 1, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi.  
Managers on the part of the Senate.

Senator Anderson did not sign the report.

Representatives Morihara, Say, Chang.  
Managers on the part of the House.

Representatives Jones and Halford did not sign the report.

#### **Conf. Com. Rep. No. 133 on S.B. No. 1331**

The purpose of this bill is to temporarily transfer the elections related functions and duties of the office of the lieutenant governor to an appointed chief election officer.

In addition, this bill establishes an office of elections within the office of the lieutenant governor for administrative purposes, to be administered by the chief election officer; establishes an elections appointment panel to select and appoint the chief election officer; and requires the governor to identify and direct other duties as necessary to the lieutenant governor. The bill, which is to take effect on July 1, 1995, is to be repealed on June 30, 1999.

Your Committee finds that this bill will assist in removing any appearance of a conflict of interest on the part of the office of the lieutenant governor, as well as promote accountability and effective management of elections in this State.

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

- (1) Substituting the appropriations section contained in section 7 of the S.D. 1 version of the bill for the appropriations section contained in section 12. As amended, the bill appropriates \$5,000 for fiscal year 1995-1996, to be expended by the office of the lieutenant governor, to carry out the purposes of the bill; and
- (2) Amending section 14 of the bill to make a technical amendment to the reenactment language. As the bill now reads, on June 30, 1999, "chapters 11 and 12" of the Hawaii Revised Statutes (HRS) will be reenacted in the form in which they read on the day before the effective date of the bill. The effect of this would be to obliterate virtually every amendment made to the elections and primary election laws made between the effective date of this bill and June 30, 1999, when those entire chapters revert to the form in which they read on the day before the effective date of this bill. In addition, the reenactment language in section 14 fails to include section 26-1, HRS, to which conforming amendments were made by section 9 of the bill. In order to avoid confusion, section 14 of the bill is therefore amended by specifying those HRS sections that will be reenacted on the 1999 sunset date.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1331, S.D. 1, H.D. 2, as amended herein, and that it pass Third Reading in the form attached hereto as S.B. No. 1331, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Grauly, Chumbley, McCartney, Anderson.  
Managers on the part of the Senate.

Representatives Tom, Say, Kanoho, White, Thielen.  
Managers on the part of the House.

**Conf. Com. Rep. No. 134 on S.B. No. 1559**

The purpose of this bill is to authorize the counties to impose an ad valorem vehicle tax, and to authorize the county director of finance to enter into a contract for the registration of new motor vehicles.

Your Committee on Conference has amended this bill to delete the ad valorem vehicle tax provisions and by incorporating amendments to the motor vehicle licensing law to make registration more efficient. In particular the bill, as amended:

- (1) Requires that taxes which fall due on a Saturday, Sunday, or legal holiday be payable on the next business day;
- (2) Increases the fee for entries to the tax lien and encumbrance record from \$.50 to \$5; and
- (3) Repeals the law providing for refunds of taxes for junked, stored, or stolen vehicles and vehicles that have been removed from the State.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1559, 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. 1559, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Fernandes Salling, Tanaka, Taniguchi, Anderson.  
Managers on the part of the Senate.

Representatives Takumi, Hiraki, Tom, Say.  
Managers on the part of the House.

Representative Halford did not sign the report.

**Conf. Com. Rep. No. 135 on S.B. No. 1701**

The purpose of this bill is to authorize the housing finance and development corporation (HFDC) to make a one-time transfer of moneys from the rental assistance revolving fund to the rental housing trust fund.

Your Committee on Conference empathizes with the plight of those that require some assistance to meet their housing needs such as those with low incomes, and the displaced workers of Waiialua Sugar Company and Del Monte Pineapple workers living at Poamoho and Kunia who are in danger of losing their homes.

The transfer of funds between revolving housing funds provides flexibility to more efficiently use available funds to provide affordable housing.

In light of this, your Committee has amended the bill to:

- (1) Expand the purpose of the bill to use rental assistance revolving funds to develop strategies to address the needs of displaced sugar workers at Waiialua and Del Monte camps at Poamoho and Kunia;
- (2) Provide that HFDC may make a one time transfer of \$3,200,000 from the rental assistance revolving fund to the rental housing trust fund;
- (3) Appropriate \$150,000 from the rental assistance revolving fund for the development and implementation of strategies for displaced sugar workers; and
- (4) Appropriate \$550,000 from the rental assistance revolving fund for emergency loans and grants to provide temporary assistance and relocation to displaced Waiialua sugar workers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1701, 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. 1701, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Bunda, Chumbley, Holt, Liu.  
Managers on the part of the Senate.

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

**Conf. Com. Rep. No. 136 on S.B. No. 1739**

The purpose of this bill is to clarify the intent and authority of the clean Hawaii center.

Your Committee finds that the center is to work in partnership with business and government to develop and expand commercial markets for recyclable materials and recycled content products, and to facilitate recycling and environmental business and technology development. The goal of reducing waste is particularly important in a state such as Hawaii, with limited space for waste disposal and no easy access to alternative waste disposal sites.

Your Committee has amended this bill by adding language stating that the State and its officers and employees shall not be held liable for the results of any investment, purchase of securities, loan, or other assistance provided pursuant to this Act provided that they acted with the consent of the board of the clean Hawaii center.

Your Committee has also amended this bill by reducing the \$500,000 appropriation to \$300,000 for the clean Hawaii center. This appropriation shall be from the clean Hawaii fund of the State, and not from the general fund. All moneys derived from other funding mechanisms established by state law or received by the clean Hawaii center in the form of federal, state, county, or private grants or gifts shall be deposited into the clean Hawaii fund.

Your Committee raised concerns regarding the definition of "confidential commercial information", as discussed in section 3 of this bill. Your Committee received clarification on that language from the clean Hawaii center, and it is the Committee's understanding that confidential commercial information is defined as technical or operating information whose public disclosure would negatively impact the company's performance, business expansion, profitability, or competitiveness, or cause it to breach contractual obligations to suppliers or customers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1739, 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. 1739, S.D. 2, H.D. 2, C.D. 1.

Senators Ikeda, Tam, Chumbley, Fukunaga, Liu.  
Managers on the part of the Senate.

Representatives Shon, Kawakami, M. Oshiro, Yamane, Thielen.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 137 on S.B. No. 1762**

The purpose of this bill is to reform the no-fault motor vehicle liability insurance system by giving consumers a choice between two types of policies, personal injury protection or tort maintenance, as they deem appropriate and affordable for themselves and their families.

The purpose of this bill, as amended, is to provide for a system of "pure no-fault".

Pure no-fault is a system of motor vehicle accident reparations which completely bars lawsuits except for intentional or criminal acts. Medical expenses are paid by the insurer of the injured driver regardless of whether that driver caused the accident.

Your Committee finds that the cost of motor vehicle insurance in the State is the highest in the country. Hawaii has consistently ranked at the top of all states in premium rates for motor vehicle insurance, according to the March 28, 1994, edition of *Auto Insurance Report*. In light of this and many other factors, your Committee believes that the State's current motor vehicle insurance system is in need of improvements.

Your Committee further finds that liability provisions of the present law are the catalyst for the high premiums for motor vehicle insurance. The reason for this is the cost driver of the "medical-rehabilitative limit" or "no-fault threshold" which artificially causes overuse and abuse of medical treatment in order to reach a monetary amount of medical expenses to qualify to sue in tort.

As this bill progressed through the legislative process, all other models and proposals for an accident reparations system were studied by the various committees of both houses. However, none seemed to address the heart of the matter of liability. Your Committee concludes that a total abrogation of tort liability (except for intentional and criminal acts) is unavoidable to achieve effective reform in the no-fault system.

This bill, as amended, is intended to provide the public with an adequate, effective, and fair system of motor vehicle accident reparations without the necessity of tort liability.

As a means of further reducing medical costs, the bill as amended allows insurers to provide or contract with, health maintenance organizations (HMOs) and preferred provider organizations (PPOs) for the provision of medical benefits required under this chapter. Under this arrangement, the insurer will also be required to coordinate these benefits with other benefits required under this chapter to avoid duplication of both coverage and costs.

This bill, as amended, allows consumers to choose an optional pain and suffering first-party insurance in limits from \$25,000 to \$250,000 to cover accidental harm resulting in loss of life; permanent and serious impairment of body functions; or permanent and serious disfigurement. Subject to the approval of the insurance commissioner, no-fault insurers may also offer this coverage for all other types of injuries.

Coverage for no-fault benefits are in amounts ranging from a minimum of \$250,000 to a maximum of \$1,000,000, in increments approved by the insurance commissioner and as selected by the insured. The insurer may offer additional limits in excess of \$1,000,000 to cover those benefits. The \$250,000 amount is intended to cover ninety-nine per cent of personal protection insurance benefits claims, and is to be adjusted annually by the insurance commissioner. Coverage for earnings loss is up to a maximum of \$45,000.

Your Committee has amended this bill further to increase the roll back in rates to forty-five per cent which shall occur one-hundred-twenty days after the effective date of the bill. Your Committee finds that the revisions of the law on motor vehicle insurance in this bill will greatly reduce the cost of motor vehicle insurance in Hawaii. The legislature has reviewed the facts. The effective implementation of this bill should reduce costs by more than fifty per cent. Thus, your Committee finds that a forty-five per cent roll back in rates is neither illusory nor confiscatory.

Your Committee has further amended this bill by requiring similar no-fault benefit coverages for motorcycles and motor scooters. Your Committee is cognizant of the risk of injury to riders and passengers of motorcycles and motor scooters and has provided them with similar required and optional coverages for their protection.

In considering the bill as amended, your Committee was aware of the constitutionality issue which must be considered in any legislation which restricts or eliminates tort remedies. Your Committee finds, however, that all of the laws that prohibit automobile accident victims from recovering in tort have been upheld when the subject laws included appropriate provisions for "an adequate substitute for," or "a reasonable alternative to," recovery for damages in tort. While the grounds for these cases are varied, all of the courts have held that the legislature is constitutionally empowered to eliminate the traditional right of the injured party to seek damages for pain and suffering in tort against the alleged tortfeasor in those instances where serious injuries are not sustained, or where the injured party is guaranteed some recovery for economic losses from their insurers.

To your Committee's knowledge, this bill, as amended, provides for the first "pure no-fault" system in the country. Your Committee hopes that Hawaii's experience with pure no-fault will be a success and will serve as a model for other states which continue to struggle with this issue.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1762, 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. 1762, S.D. 1, H.D. 1, C.D. 1.

Senators Ikeda, Holt, Liu.  
Managers on the part of the Senate.

Representatives Menor, Tom, Say, Cachola, Yamane, Ward.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 138 on S.B. No. 1804**

The purpose of this bill is to prevent vacated positions in certain programs and certain administrative positions from being frozen or eliminated in accordance with the early retirement incentive law.

Specifically, this bill exempts (1) vacated positions in the Hawaii state hospital, in community hospital and correctional facilities, in programs that are funded entirely with federal moneys, and in the Hawaii housing authority that are funded entirely from special funds; and (2) vacated (administrative) positions whose salaries are set forth in sections 26-52, 26-53, and 26-54, Hawaii Revised Statutes, from the early retirement incentive law (Act 212, Session Laws of Hawaii 1994).

In addition, this bill (1) requires the governor to appoint a commission to explore, with respect to the Hawaii public employees' health fund, different funding, eligibility requirements, and benefit structures, and the actuarial effect of these alternatives; and (2) appropriates \$100,000 out of the health fund for the office of the governor to carry out the purposes of the commission, including the hiring of necessary staff.

Your Committee finds that Act 212, Session Laws of Hawaii 1994:

- (1) Allows thirty per cent of the positions vacated in each department to be refilled by the head of the department to ensure the continued ability of the department to carry out its public purpose;
- (2) Requires thirty per cent of the positions vacated in each department to be held vacant for fiscal year 1995-1996 and assigned to a statewide personnel pool until June 30, 1996; and
- (3) Requires forty per cent of the positions vacated in each department to be eliminated.

Your Committee also finds that:

- (1) The refilling of vacated positions in the Hawaii state hospital and correctional facilities is in the public interest and for the public health, safety, and general welfare of the State;
- (2) The freezing or elimination of vacated positions in programs that are funded entirely with federal moneys serves no useful public purpose since the savings generated by these positions do not accrue to the general fund;
- (3) The freezing or elimination of vacated positions in the Hawaii housing authority that are funded entirely from special funds may thwart the State's attempts to increase the availability of low-income housing units, and serves no useful public purpose since the savings do not accrue to the general fund; and
- (4) The refilling of vacated positions occupied by department heads, executive officers, deputies or assistants to department heads, the administrative director of the State, the commissioner of financial institutions of the department of commerce and consumer affairs, and the chief negotiator for the office of collective bargaining, is necessary to ensure the continued ability of state government to carry out its public purpose.

Your Committee has amended this bill by:

- (1) Removing community hospitals from the list of programs that are being exempted from the early retirement incentive law;
- (2) Adding the commissioner of financial institutions of the department of commerce and consumer affairs and the chief negotiator for the office of collective bargaining to the list of positions that are being exempted from the early retirement incentive law;
- (3) Deleting the provisions relating to the commission on the Hawaii public employees' health fund;
- (4) Adding a provision to create the position of deputy director for behavioral health in the department of health;
- (5) Changing its effective date to July 1, 1995; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1804, 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. 1804, S.D. 1, H.D. 2, C.D. 1.

Senators Ikeda, Kanno, Solomon, Taniguchi, Anderson.  
Managers on the part of the Senate.

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

#### **Conf. Com. Rep. No. 139 on S.C.R. No. 237**

The purpose of this Concurrent Resolution is to request the governor to direct the Ala Wai Watershed Advisory Committee, the Mamala Bay Commission, and the Kuhio Stormdrain Project to make a study of the water quality in the Waikiki beach waters to identify bacterial contamination and to recommend appropriate strategies.

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

- (1) Deleting the Mamala Bay Commission and the Kuhio Stormdrain Project from studying the concerns related to the water quality of Waikiki area beach waters;
- (2) Requesting the director of health instead of the governor to direct the Ala Wai Watershed Advisory Committee to study the concerns relating to the beach waters of the Waikiki area;
- (3) Requesting the director of health to appoint to the Ala Wai Watershed Advisory Committee members which include, but are not limited to, representatives from appropriate state, city, and federal agencies, the University of Hawaii, community organizations, and the Waikiki area legislators; and
- (4) Changing the title of the Concurrent Resolution to reflect the foregoing changes.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 237, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 237, S.D. 1, H.D. 1, C.D. 1.

Senators Tam, Aki, Levin.  
Managers on the part of the Senate.

Representatives M. Oshiro, Meyer, Santiago, Tarnas.  
Managers on the part of the House.

#### **Conf. Com. Rep. No. 140 on S.C.R. No. 246**

The purpose of this Concurrent Resolution is to protect the public health by providing adequate financial support for the Department of Health's Safe Drinking Water Branch and its water testing and monitoring programs.

Upon further consideration and discussion, your Committee has amended this Concurrent Resolution by using the Senate version rather than the House version. The Senate version supports the study of the need for more stringent water quality testing of drinking water and groundwater in the State.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 246, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 246, S.D. 1, H.D. 1, C.D. 1.

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

Representatives M. Oshiro, Meyer, Santiago, Tarnas.  
Managers on the part of the House.

## STANDING COMMITTEE REPORTS

**SCRep. 1      Ways and Means on S.B. No. 1**

The purpose of this bill is to appropriate funds to defray the expenses of the legislature, the legislative auditor, the legislative reference bureau, and the ombudsman during the 1995 regular session and throughout the 1995-1996 fiscal year.

Your Committee finds that Hawaii is currently in the midst of a serious economic slowdown. Because of these difficult economic times, your Committee finds that it is imperative that the legislature exercise all possible discipline and restraint to ensure the formulation and passage of a fiscally responsible legislative budget for the current regular session and fiscal year.

Your Committee has amended this bill by including the budgetary amounts to be allocated to the various agencies and operations of the legislature. Except for the office of the state ethics commission, the amounts in this budget represent zero sum increases over the amounts allocated in the legislature's budget for fiscal year 1994-1995. This budget is indicative of the budgetary discipline that will be applied to all programs and agencies of the State by your Committee during these times of fiscal austerity.

Your Committee also wishes to note that the sum appropriated to the office of the ombudsman excludes the contingency moneys included in the ombudsman's initial budgetary projection to pay for anticipated attorneys' fees. Because of an agreement negotiated by the ombudsman, the moneys for attorneys' fees have not been factored into the office's allocation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Fernandes Salling, Solomon, Taniguchi).

**SCRep. 2      Planning, Land and Water Use Management on S.B. No. 15**

The purpose of this bill is to require the land use commission to render a decision within one year from the date of the filing of the petition.

Under present law, the only time limit in which the commission must render a decision is one-hundred-twenty days after the close of the hearing. However, there is no legal requirement that the process actually conclude within a time certain from the filing of the petition. Problems arise where proceedings before the commission are unduly lengthy which results in increased costs to the parties involved.

Your Committee believes that one year is a reasonable time period in which to process the petition. Testimony presented at the hearing indicated that the average time for processing was ten months, with the longest time in one case being two years. Your Committee finds that one year is fair and reasonable and will improve and streamline the land use commission process.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 15 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 3      Planning, Land and Water Use Management on S.B. No. 75**

The purpose of this bill is to acquire additional land for the expansion of Hanalei Elementary School for the purpose of building a new cafetorium and to provide a new playground area for students.

Specifically, this bill proposes to expedite a land exchange involving 2.87 acres of privately-owned land situated at Waioli, Hanalei, Kauai, owned by Nancy Katayama Kobayashi et al., identified as Tax Map Key No. (4) 5-5-06: portion of parcel 9; and 4.80 acres of ceded State-owned lands situate at Hanalei, Kauai, Identified as Tax Map Key Nos. (4) 5-5-06:10, (4) 5-5-04:18, (4) 5-5-07:26, (4) 5-1-03:01 and (4) 5-1-05:07 by exempting the land exchange from the provisions of Section 171-50(c), Hawaii Revised Statutes (HRS), which requires the Department of Land and Natural Resources (DLNR) to submit for introduction to the Legislature twenty days prior to the convening of any regular or special session, a resolution for review of action on any exchange of public land for private land and which requires that the date of the appraisal be not more than six months prior to the date of the final approval of the land exchange by the Board of Land and Natural Resources (BLNR).

Section 5(b) of the Admission Act created the "public land trust", which currently consists of approximately 1,800,000 acres of "ceded lands" transferred to the State of Hawaii by the United States federal government at statehood in 1959. Pursuant to Article XII, Section 4, of the Hawaii State Constitution, these lands are to be held by the State in public trust for native Hawaiians and the general public. Further, Section 5(f) of the Admission Act expressly states that ceded lands "shall be held by [the] State as a public trust for the support of the public schools and other public educational institutions, for the betterment of the conditions of native Hawaiians . . . and for the provision of lands for public use". Your committee finds that the proposed land exchange for the purpose of expanding Hanalei School is in accord with the mandates of Article XII, Section 4, of the Hawaii State Constitution, and Section 5(f) of the Admission Act.

Your committee finds that there is a strong public interest in entering into this land exchange. First, additional land will support public education by enabling Hanalei School to build a new cafetorium for use by its ever-expanding student body. Next, the new cafetorium will also benefit the general public as it will be constructed to Civil Defense standards, and shall serve as a civil defense shelter for the Hanalei area. Further, the present school playground fronts and adjoins Kuhio Highway; the land exchange will allow the relocation of the Hanalei School playground area to the back of the school, promoting public safety. As the enrollment of Hanalei School has experienced rapid growth, expansion of its facilities and playground is necessary.

This land exchange appears to be a perfect solution for the needed expansion of Hanalei School in light of the State's current fiscal situation. The Board of Land and Natural Resources has determined that the appraisal for the lands accurately depicted the fair market values of the parcels in question; both parties are willing to enter into the land exchange; and strong support for this measure was received pursuant to testimony submitted by the DLNR, a broad cross-section of the community, parents of students, former students, the principal of Hanalei School, the PTA president of the school, and the community association.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 75 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 4      Judiciary on S.B. No. 888**

The purpose of this bill is to reconstitute the commission on sexual orientation and the law, established by Act 217, Session Laws of Hawaii 1994, by replacing the existing commission with a new one.

As a preliminary matter, your Committee wishes to acknowledge and commend the outstanding work of the commission to date. Although the membership of the commission was appointed in October, 1994, and formally met on only three occasions before a temporary restraining order suspended the participation of four of the eleven members of the commission, thereby effectively halting the commission's work, the commission has nonetheless already produced a comprehensive interim report identifying certain legal benefits extended to opposite-sex couples but not to same-sex couples.

Despite the commission's impressive work product, however, your Committee finds that as a result of constitutional challenges to the membership of the commission, there is a need to reestablish the commission on firmer constitutional ground to ensure that there are no further impediments to the commission's important work.

Opponents of Senate Bill No. 888 would like the commission to continue as presently constituted even if the commission's present membership may not reflect the diversity of views in the community on the issues that the legislature sought to address in Act 217. In order to expedite the work of the commission, opponents argue, a better approach would be to amend Act 217 to require the governor to fill the four vacant positions from nominees selected by the speaker of the house of representatives and the president of the senate. This would ensure the continued diversity of the commission, as well as avoid the further delay of time and expenditure of valuable expertise that a new commission would require.

Your Committee finds that the commission's membership has been challenged in recently concluded federal litigation. Specifically, the United States District Court for the District of Hawaii, in *McGivern v. Waihee* (Civ. No. 94-00843 HMF), found that the appointment of four members of the commission was unconstitutional under the Establishment Clause of the First Amendment of the United States Constitution, because the legislature directed that those four members were to be appointed as representatives from the Catholic Church diocese and the Church of Latter Day Saints. Moreover, challenges to the other members of the commission were rejected at the trial level and the time in which to appeal has not run. The department of the attorney general has indicated that it will not be appealing those aspects of the federal court's orders that are adverse to the State.

Another potential challenge to the existence of the commission lies in the absence of language in Act 217 providing for the termination of the commission. Section 6 of that Act provides that the commission "shall submit a report on its findings to the legislature no later than twenty days prior to the convening of the 1995 regular session". In the absence of language in that Act specifying the date that the commission is to terminate, it may be argued that the commission already ceased to exist upon submitting its report, or, at the latest, twenty days before the convening of the current regular session. In contrast, this bill specifically provides in section 3 that the new commission "shall cease to exist after July 1, 1996".

Your Committee agrees with the attorney general that it best serves the public interest to place the commission on a firm legal footing. The commission is charged with the important task of examining the legal and economic benefits that are extended to opposite-sex couples but not to same-sex couples, determining whether substantial public policy reasons exist to extend or not to extend these benefits to same-sex couples, and making recommendations to the legislature. These issues are at the heart of the Hawaii Supreme Court's plurality opinion in *Baehr v. Lewin*, 74 Haw. 530, 852 P.2d 44 (1993), which held that Hawaii's current marriage laws are presumptively unconstitutional because they do not authorize the State to confer the benefits and burdens of marriage on same-sex couples.

Furthermore, your Committee believes that a diversity of views on the commission is important to the credibility of the commission's work. Your Committee finds that the intent of Act 217 in establishing the original commission was to ensure that members represent the divergent views within the community, rather than the views of only one side. Your Committee recommends that the new commission should continue to represent the variety of perspectives on this sensitive issue. While Senate Bill No. 888 reduces the number of commissioners from eleven to seven members of the general

public, nothing in this bill prevents the governor from appointing many of the same members of the original commission as members of the newly reconstituted commission.

In order to ensure the continued diversity of the commission, this bill requires the governor to appoint two members of the general public from a list of nominees submitted by the speaker of the house of representatives, and two from nominees submitted by the president of the senate. Your Committee recommends that the speaker and president submit lists of nominees that are balanced, representing multiple viewpoints and reflecting the diversity of public opinion on these issues.

Your Committee notes that members of the newly reconstituted commission will be able to draw on the knowledge of all relevant and useful sources, including, but not limited to, government officials and departments; members of the public; religious organizations; various publications, including the already completed interim report of the first commission on sexual orientation and the law; and any other source that may be of use to the commission.

Moreover, the new commission, which will be addressing the same issues presented to the original commission, will not be duplicating all of the work of the original commission. The new commission will continue to be staffed by the Legislative Reference Bureau, which in and of itself will provide an element of continuity.

Finally, your Committee finds that the final decision regarding the issues assigned to the commission--whether and to what extent certain legal and economic benefits extended to opposite-sex couples should be extended to same-sex couples--is ultimately a policy decision that rests within the discretion of the legislature as the policymaking branch of state government, or with the people of the State through a constitutional convention. As such, the new commission, as reconstituted by Senate Bill No. 888, will present the legislature with a template for a new public policy. The commission's report will therefore begin the discussion of these issues, including the merits of the commission's recommendations, in the legislative arena. Final action on these issues and ultimate responsibility, however, rests with the legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 888 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 5      Economic Development on S.B. No. 906**

The purpose of this bill is to provide incentives and encouragement for the usage of electric vehicles through the adoption of rules for electric vehicle registration, establishment and issuance of special license plates, and exemptions of fees and restrictions.

Advocates of the electric vehicle agreed that the incentives provided to owners of electric vehicles within the bill are essential to the promotion of the electric vehicle industry for economic reasons and because such incentives signify the State's acceptance of the electric vehicle as an alternative means of transportation.

The Department of Transportation expressed their concerns about the incentives and exemptions to be given. The department gave testimony opposing the exemption of high occupancy vehicle (HOV) restrictions to be granted to electric vehicles. The department explained that the HOV lanes are for carpooling only and fear that if the electric vehicle gains popularity the benefits of the HOV lanes will be lost.

Your Committee adopted the recommendation of the Department of Transportation by striking the exemption of electric vehicles from HOV restrictions and other traffic control measures. In addition, minor language changes were made in section 5 for bill clarification purposes.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 906, S.D. 1, and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2, (Levin, Tam).

#### **SCRep. 6      Economic Development on S.B. No. 908**

The purpose of this bill is to encourage the usage of the electric vehicle as an alternative means of transportation by establishing an income tax credit for the purchase or conversion of electric vehicles and charging facilities.

Advocates of the electric vehicle submit that the income tax credits are essential to the acceptance of the electric vehicle as a viable transportation alternative to the internal combustion engine vehicle. The income tax credit would help to offset the significantly higher cost of the electric vehicle, thus making the ownership of the electric vehicle a more economically viable option to the consumer.

In addition, testimony was supplied by U.S. Electricar detailing the economic benefits to the State if the electric vehicle industry should fulfill its potential growth. According to this testimony and that of other advocates of the electric vehicle, the economic benefits of a viable electric car industry in the State would more than outweigh the loss of income tax revenue caused by the income tax credit.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 908 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 7      Economic Development on S.B. No. 909**

The purpose of this bill is to prohibit the insurance commissioner from approving surcharges for motor vehicle insurance rates covering electric vehicles unless surcharges are actuarially justifiable.

Advocates of the electric vehicle feel that protection from insurance surcharges unless actuarially justified is a necessity because it promotes the sale of the vehicle by guaranteeing insurance will not be unreasonably inflated and it protects the electric vehicle owner from having to bear the cost of an artificial rate increase on the new technology, as was seen when the corvette was first introduced.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 909 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 8      Education on S.B. No. 1247**

The purpose of this bill is to appropriate funds to provide one permanent full-time business manager position at each high school that is operating under a school/community-based management system (SCBM).

Your Committee finds that the implementation of school/community-based management is essential to the systemic reform effort presently being undertaken within our public school system. Your Committee further finds that the SCBM system, while providing schools with more fiscal autonomy also requires more fiscal accountability, and these business manager positions will assist the schools in successfully operating within this more independent structure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1247 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 9      Planning, Land and Water Use Management on S.B. No. 284**

The purpose of this bill is to establish an information, education, and volunteer coordination program in the Department of Land and Natural Resources for the island of Hawaii.

The program is a pilot project intended to strengthen the State's management of forestry and wildlife resources.

Your Committee received supporting testimony from the Chairperson of the Board of Land and Natural Resources, the Sierra Club, and the Sierra Club Legal Defense Fund.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 284 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 10      Planning, Land and Water Use Management on S.B. No. 287**

The purpose of this bill is to establish the irrigation water development special fund under the Department of Agriculture and to authorize the issuance of revenue bonds for the purpose of that fund.

Your Committee finds that the closure of several major sugar companies is causing the transformation of the present sugar industry into an industry of diversified agriculture. This bill would provide needed funds to support this transformation by making water systems available where they are needed.

Your Committee sought an opinion from the Attorney General regarding the need for a special fund provision in Chapter 167, Hawaii Revised Statutes. Based upon the Attorney General's opinion, which is attached hereto, your Committee believes that the creation of a special fund is necessary and appropriate.

Your Committee received supporting testimony from the Chairperson of the Board of Agriculture.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

Attachment to SCRep. 10, S.B. No. 287:

STATE OF HAWAII  
Department of the Attorney General  
425 Queen Street  
Honolulu, Hawaii 96813  
(808) 586-1500

February 2, 1995

The Honorable Randall Iwase  
Senator, Twentieth District  
The Eighteenth Legislature  
State of Hawaii  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Senator Iwase:

Re: Senate Bill No. 287

This is in response to an oral request from Mr. Terril Chun of your staff regarding the revenue bond provisions contained in Senate Bill No. 287. Mr. Chun's questions and our responses are presented below.

1. In the process of authorizing revenue bonds for irrigation water development projects, why should a special fund be created when there is an existing revolving fund, the Irrigation System Revolving Fund, section 167-22, Hawaii Revised Statutes?

Under section 167-7, Hawaii Revised Statutes, revenue bonds for irrigation water development projects are to be issued pursuant to part III of chapter 39, Hawaii Revised Statutes. Section 39-62, Hawaii Revised Statutes, requires that whenever revenue bonds are issued pursuant to part III of chapter 39, the revenues and user taxes which secure the revenue bonds shall be deposited into a special fund. Consequently, under the current statutory framework, no revenue bonds could be issued unless a special fund is created.

The Honorable Randall Iwase  
February 2, 1995  
Page 2

2. Can the Irrigation System Revolving Fund establish under section 167-22 be used to issue revenue bonds for irrigation water development projects?

Yes, the Irrigation System Revolving Fund could be used to issue revenue bonds but only if it were amended to include all pertinent provisions regarding the receipts and disbursement of the revenue bond project. In addition, section 167-7 would have to be amended to provide and exemption from the special fund requirement of section 39-62.

However, if this approach is followed, then any revenue bonds issued may be counted against the State's debt ceiling. Article VII, section 13 of the Constitution of the State of Hawaii excludes from the State's debt limit revenue bonds secured by a special fund. Consequently, if the revenue bonds are secured by a revolving fund, then such revenue bonds may not be excluded from the State's debt ceiling.

Very truly yours,

/s/ Randall S. Nishiyama  
Randall S. Nishiyama  
Deputy Attorney General

APPROVED:

/s/ Margery S. Bronster  
Margery S. Bronster  
Attorney General

RSN:DAS  
4725

The purpose of this bill is to make an appropriation for a water quality program on the island of Oahu.

Your Committee finds that water quality on Oahu is a matter of particular importance, considering Oahu's population mass.

Your Committee has amended this bill by inserting the sum of \$80,000 for each of the next two fiscal years, based on testimony of the Department of Health.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 428, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 12 Planning, Land and Water Use Management on S.B. No. 452**

The purpose of this bill is to provide for the development and implementation of a plan to assist the community of Waialua in response to the announced closing of Waialua Sugar Company and the associated threat to the economic and social stability of the entire Waialua area on the north shore of Oahu.

The bill, as originally drafted, designated the Waialua district a community development district within the meaning of chapter 206E; set forth guidance policies generally governing the authority's action in the Waialua community development district; provided that the community district plan developed pursuant to this bill would not take effect until county ordinances are enacted establishing a community facilities district pursuant to section 46-80.1 or a tax increment financing district pursuant to section 46-103 to finance special improvements in the Waialua community development district; and appropriated out of the general revenues of the State of Hawaii: (a) the sum of \$1,000,000, or so much thereof as may be necessary for fiscal year 1995-1996 and the same sum, or so much thereof as may be necessary, for fiscal year 1996-1997 to be expended by the Department of Business, Economic Development, and Tourism for the purposes of this Act; and (b) \$1,500,000, or so much thereof as may be necessary for fiscal year 1995-1996 to assist the Waialua community in designated transitional issues.

Your Committee received numerous testimony in support of the intent and purpose of this bill, including testimony from the Office of State Planning that summarized the new initiatives of the administration of Governor Cayetano in responding to the issue of sugar plantation closures and coordinating the activities of various state agencies in response to the closure of Waialua Sugar Company and other plantations scheduled to close down over the next several years. In light of these initiatives, the Office of State Planning suggested numerous amendments to this bill. Accordingly, your Committee has amended this bill as follows:

Section 1 has been amended to reflect that the Office of State Planning, rather than the Hawaii Community Development Authority, will be the lead agency in formulating and implementing a plan to assist the Waialua community.

Section 1 has been further amended by adding a recital of certain of the Office of State Planning's statutory functions and amending the language of the preamble to reflect these functions.

Section 1 has also been amended to state that the purpose of this bill is not only to support the Office of State Planning in its efforts to develop and implement a strategic plan for the Waialua community as expeditiously as possible, but also to support its development of an inter-agency agricultural transformation support process that will be able to effectively and expeditiously respond to other sugar company closings.

Sections 2, 3, 4 and 5 have essentially been deleted in their entirety. A new section 2 contains definitions. A new section 3 instructs the Office of State Planning to develop and implement two strategic plans for the Waialua Region: the first to facilitate the transition of dislocated workers, and the second to delineate the long-range economic development options available to the Waialua community. A new section 4 states guidance policies for the development and implementation of the strategic plans; these guidance policies are based on the guidance policies stated in section 2 of the original draft of the bill, but have been amended to reflect the differing statutory authority vested in the Office of State Planning, rather than the Hawaii Community Development Authority.

A new section 6 directs the Office of State Planning to develop an inter-agency agricultural transformation support process to respond to other sugar company closings.

A new section 7 provides an appropriation of \$500,000, or so much thereof as may be necessary for fiscal year 1995-1996, to the Office of State Planning to carry out the purposes of this bill. Your Committee finds that to effectively respond to the needs of the Waialua community, the Legislature should at this time make an appropriation to carry out the purposes of this bill in light of the Waialua's community's imminent need and the current strain on this State's existing housing, medical, and social service resources.

Your Committee has also made amendments for the purposes of clarity and consistency with other amendments and sections of this bill.

Your Committee on Planning, Water and Land Management is in accord with the purpose and intent of S.B. No. 452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 452, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 13 Planning, Land and Water Use Management on S.B. No. 569**

The purpose of this bill is to appropriate an unspecified sum for a study of the water development needs of the Ka'u district of the Big Island and to prepare a water source development plan.

Your Committee finds that a water source development plan for the Ka'u district is urgently needed in view of the closing of the sugar industry in the area.

Your Committee notes that testimony presented at the hearing made reference to a Ka'u River Basin Study prepared in February, 1994, by the United States Department of Agriculture Soil Conservation Service. Your Committee notes that information received from the Department of Land and Natural Resources indicates that while the Ka'u River Basin Study may address some of the issues raised in this bill, it does not fully address all of the issues. Accordingly, your Committee believes that the full study, as set forth in this bill, is appropriate.

Your Committee has amended this bill by inserting \$120,000 and adding that the Department of Hawaiian Home Lands and the Office of State Planning are to be involved in this study along with the Department of Land and Natural Resources and other groups mentioned in the bill.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 14 Planning, Land and Water Use Management on S.B. No. 865**

The purpose of this bill is to provide state and county governments with immunity from liability for injuries caused by a natural condition of any unimproved public land.

Unimproved public land includes any lake, stream, bay, river, or beach. Rescue services are not provided immunity.

According to testimony received by your Committee, liability lawsuits are being filed by plaintiffs against the government for injuries resulting from conditions over which the government has no control. These types of lawsuits have a negative impact on the provision for and maintenance of public beach and trail access for recreational purposes and beach use because of fear of potential liability. In addition, your Committee finds that as the government is forced to defend such lawsuits, the responsibility for the related costs and expenses is ultimately being shouldered by the taxpayers.

Your Committee further finds that governments have little control over the condition of unimproved public lands, including high surf, hazardous weather and water conditions, inherent hazards in the natural environment, and actions of individuals who may choose to ignore warning signs which are posted at the beach or at recreational trails.

Your Committee received supporting testimony from numerous concerned groups, including the City and Counties of Honolulu, Kauai, and Maui, the Hawaii State Association of Counties, the Department of Land and Natural Resources, and the Department of Hawaiian Home Lands.

Your Committee has amended this bill by including "trail access" and "ocean" in the list of natural conditions, and by including public lands within the scope of this bill.

Your Committee has also amended this bill by making technical, nonsubstantive amendments as follows:

1. Changing "public property" in the section heading of section -2 of the new chapter to "public land," to be consistent with the title of the chapter and to precisely reflect the application of the chapter;
2. Changing the section heading of section -3 of the new chapter to shorten it to "public beaches; other public land" for proper statutory drafting form; and
3. Adding a new section -4 to substitute for section -3(c) with the appropriate wording and a section heading for proper statutory drafting form.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 865, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 15 Education on S.B. No. 194**

The purpose of this bill is to require the superintendent of education to submit an annual report on the incentive and innovation grant trust fund within the department of education.

Your Committee finds that the incentive and innovation grant trust fund was created by the legislature in 1993 to provide financial support for individual schools to develop experimental instructional programs and in-service teacher training. Your Committee further finds that the legislature initiated this grant program as a component of the systemic reform of our public school system, and as part of its oversight function the legislature should receive annual reports on its implementation and outcomes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 16 Education on S.B. No. 371**

The purpose of this bill is to clarify that expenditures from the incentive and innovation grant trust fund within the department of education are being used solely for grants and school-based activities, and require the superintendent of education to submit an annual report to the legislature on expenditures from the fund.

Your Committee finds that the incentive and innovation grant trust fund was created by the legislature in 1993 to provide financial assistance for individual schools to develop experimental instructional programs and in-service teacher training. Your Committee further finds that the legislature wants to ensure that expenditures from the trust fund support activities at the school-level and thus the legislature needs to receive annual reports on the grant awards and their outcomes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 371 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 17 Education on S.B. No. 425**

The purpose of this bill is to appropriate general funds specifically for in-service training of teachers in the public school system.

Your Committee finds that continuing in-service training of public school teachers supports the ongoing efforts of systemic reform of our public school system by targeting more resources into the classroom. Your Committee further finds that Hawaii lags behind many other states in the amount of funds provided for the professional development of teachers, and thus your Committee believes that additional funds need to be specifically earmarked for teacher training.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 18 Education on S.B. No. 541**

The purpose of this bill, as received by your Committee, is to authorize distribution to the individual schools of fifty per cent of the fees and charges collected for the use of public school facilities for recreational and community purposes.

Your Committee finds that public school facilities are ideally situated such that various recreational and community activities are scheduled at the schools to maximize accessibility to the public. Your Committee further finds that the fees and charges assessed for these activities are collected by the department of education and deposited into the general fund, to pay for related expenses for the use of the facilities. However, upon further consideration, your Committee believes that a portion of the funds should be returned to the schools and earmarked for minor repairs and maintenance resulting from the use of the facility by the community.

Thus, your Committee has amended this measure by:

1. Clarifying that fifty per cent of the gross fees returned to the individual school shall be used for minor repair and maintenance projects to be determined by the school;
2. Earmarking twenty per cent of the remaining revenues to be transferred to the office of Hawaiian affairs as compensation for ceded lands; and
3. Earmarking thirty per cent of the remaining revenues to be used by the district office for related expenses such as utilities and personnel costs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 541, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 19      Judiciary on S.B. No. 86**

The purpose of the bill is to extend the life of the corrections population management commission to June 30, 1997, and to expand the commission's membership to include representation from law enforcement agencies in the neighbor islands.

Your Committee acknowledges and commends the work of the commission, which was established in 1993 to study and make recommendations to resolve the issues surrounding inmate overcrowding at state correctional facilities. Your Committee is aware that the commission was created in the wake of the 1985 civil suit and federal consent decree, which currently governs conditions at the Oahu community correctional center and the women's community correctional center. Your Committee strongly believes, however, that the work of the commission is not yet complete.

Your Committee finds that the provisions of the bill will permit the commission to continue its mandate and important work regarding the management of the corrections population. It will also allow for the addition of representation from the neighbor islands which will provide an important perspective to the commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 86 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 20      Judiciary on S.B. No. 163**

The purpose of the bill is to authorize the attorney general to appoint an administrator for the child support enforcement agency without regard to chapters 76 and 77 of the Hawaii Revised Statutes.

The administrator of the child support enforcement agency (SEA), a division of the department of the attorney general, is currently a civil service position.

According to oral testimony provided by the department of the attorney general in support of this measure, CSEA resources comprise a significant portion of the department's overall budget and personnel. It is the attorney general's view that this bill assures that the level of accountability and performance currently required of the department's other division-level supervisors, who are also appointed by the attorney general, will include the CSEA administrator.

Your Committee concurs with the view of the department and finds that the child support enforcement agency has been the subject of two reports by the legislative auditor over the last five years and that despite the efforts of many dedicated staff, the agency was the third largest source of complaints to the Ombudsman during the 1990-92 period. Although the agency has improved both the quality and output of its services to the community since then, your Committee finds that it is in the public interest to provide the increased public accountability and internal managerial responsiveness implicit in this measure. Your Committee recognizes that the parents and children who benefit from these payments rely on an efficiently run CSEA for their economic survival.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 163 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 21      Judiciary on S.B. No. 83**

The purpose of the bill, as received by your Committee, is to help eradicate drug distribution activity on private or commercial premises, by authorizing tenant associations to initiate expedited eviction procedures to remove drug traffickers and drug dens from their communities.

Specifically, the bill authorizes temporary, preliminary, and permanent injunctive relief and other remedies to abate drug nuisances. It also encourages owners, landlords, operators, and managers of buildings, places, or premises to take affirmative steps to prevent drug crimes from occurring on their properties.

Your Committee recognizes that sites of repeated drug distribution tend to attract persons involved in criminal activity. The result is to further endanger the health, safety, and welfare of others in the community. Drug nuisances also reduce property values, injure legitimate businesses and commerce, and erode the quality of life for law-abiding persons. Your Committee finds that the bill provides an avenue for citizens to seek expeditious relief from the negative consequences associated with drug activities. Furthermore, citizens will be empowered, under this bill, to reclaim and regain control of their neighborhoods, thus improving the quality and safety of their residential and work areas.

Testimony submitted by the Honolulu police department indicates that a criminal drug case frequently requires eighteen months to adjudicate. Your Committee finds that this bill addresses this concern by providing for expedited civil proceedings, enabling the community to immediately remove the offenders from the premises where they conduct their drug trade, regardless of the status and progress of the criminal drug case.

Your Committee amended the bill to include several recommendations suggested by the public defender. Specifically, the court is granted discretion in issuing an order to close a premises used for drug activities. In addition, your Committee has amended the definition of "property owner" to exclude county, state and federal governmental entities. Your Committee finds that these amendments encourage private property owners and managers to attempt to prohibit drug activities without jeopardizing the operation of governmental facilities such as schools and county buildings, which unfortunately sometimes attract drug activity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 83, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

#### **SCRep. 22      Judiciary on S.B. No. 233**

The purpose of the bill, as received by your Committee, is to facilitate the enforcement of the child support payments, both in the establishment and enforcement of orders against out-of-state noncustodial parents by making interstate procedures more uniform throughout the country.

Your Committee received testimony in support of the measure from the department of the attorney general and the commission to promote uniform legislation.

Your Committee finds that the collection of financial support from parents who are required to provide it, is frequently a difficult and cumbersome process that is exacerbated when attempted interstate amid complex issues of jurisdiction. These difficulties can be alleviated by the enactment of the uniform interstate family support act. Presently, seventeen states have adopted this measure and many more states are currently considering it. Your Committee finds that the passage of the interstate family support act will slice through layers of legal gymnastics that could inadvertently separate needy parents and children from their financial support payments.

Upon further consideration your Committee amended the bill to identify who is meant by "the tribunal of the state". As amended in section two of the new chapter, the child support enforcement agency and the hearings officers appointed under chapter 576E, in addition to the family court, are the tribunals of the state. Although generally a uniform act's provisions should not be changed, your Committee finds this modification necessary to identify the appropriate agencies as designated in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233 S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

#### **SCRep. 23      Judiciary on S.B. No. 772**

The purpose of the bill, as received by your Committee, is to appropriate funds to the county offices of the prosecuting attorney for the creation or maintenance of career criminal prosecution units, victim witness programs, and special prosecution units.

Your Committee finds that the county departments of the prosecuting attorney's victim/witness assistance program, previously funded by the legislature, has developed into one of the finest services of its kind in the country, assisting nearly 17,000 persons in 1994. In addition, the departments' Career Criminal Prosecution Unit, similarly funded, has also been effective, prosecuting 817 career criminals in the same year. Your Committee further finds that it is imperative to fund the Youth Gang Prosecution Unit, which was forced to shut down in 1993 due to a lack of funding. It is the view of your Committee that the criminal accountability issues raised by prosecution of illegal youth gang activity is critical to the deterrence of crime statewide among our alienated youth.

Your Committee amended the bill to include the most recent figures on the funds necessary to continue these vital programs, as recommended by the prosecuting attorneys of Honolulu, Kauai, Maui, and Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 24      Economic Development on S.B. No. 1006**

The purpose of this bill is to establish an economic development fund, to be administered by the Department of Business, Economic Development, and Tourism (DBEDT), for the purpose of providing incentives to attract new businesses to Hawaii and to retain existing businesses.

DBEDT submitted testimony in favor of the bill, stating that the State needs tools to design custom packages that meet the specific needs of potential job creators in order to compete with other governments who employ incentive packages to attract and hold jobs. DBEDT feels that the creation of an economic development fund, by assembling existing funds and making them more flexible, rather than creating a new appropriation, would help meet the aforementioned needs.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tam).

**SCRep. 25      Economic Development on S.B. No. 1155**

The purpose of this bill is to amend the business development corporations law by amending the definition of "Pacific Islands" to delete the obsolete reference to the Trust Territories of the Pacific and to add other Pacific Island nations.

The numerous testifiers in support of this bill stated that the amendment of the definition of "Pacific Islands" is necessary not only to remove the outdated language of Section 420-1, HRS, but to promote the Pacific Islands as a regional market. Advocates of the bill believe that the amendments proposed would assist in improving the investment opportunities in the Pacific island region.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tam).

**SCRep. 26      Housing on S.B. No. 351**

The purpose of the bill is to issue general obligation bonds in the sum of \$17,800,000 for fiscal year 1995-1996 for the design, construction, and equipment for an elderly housing complex, community room, parking stalls, and other ancillary facilities of the Crown Elderly Housing Project (phase III) in Waipahu.

Your Committee finds that the Kau'olu elderly development will consist of approximately 440 affordable senior rentals, a civic center, a library, and a medical office. To date, two mid-rise buildings, Kamalu (Phase I) and Ho'olulu (Phase II) consisting of 221 senior units have been completed. Phase I is fully occupied while Phase II just completed construction. There is a long waiting list of applicants interested in occupying the units.

The Housing Finance and Development Corporation (HFDC) submitted testimony in support of the intent of the legislation but could not support the appropriation as it is not consistent with the State's Biennium Budget request.

However, your Committee believes that the enactment of this measure would help to complete Phase III and fulfill the demand for much needed affordable senior rentals, not only for the senior citizens of Waipahu, but also for other qualified senior residents.

Your Committee has made a technical amendment to the bill by adding fiscal year 1996-1997 to section 1.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 351, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Holt).

**SCRep. 27      (Majority) Housing on S.B. No. 825**

The purpose of the bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$200,000 for fiscal year 1995-1996, to fund a research project for the school of architecture to study different designs, materials, and construction methods for affordable housing.

The University of Hawaii school of architecture submitted testimony in support of the bill with the belief that significant innovations could be made in the design and construction of affordable housing in Hawaii and the University can contribute to that effort.

Testimony further revealed that current housing standards in Hawaii have been adopted from the national marketplace with little or no recognition of the local environment and lifestyles. The proposed bill supports a project which will investigate and offer design innovations in affordable housing alternatives appropriate to Hawaii.

The goal of this project will be to design and build a prototype of affordable housing appropriate for Hawaii. With this prototype, the State will be able to provide examples and set new quality standards for affordable housing for our unique physical and cultural setting.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 825 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, 1 (Liu). Excused, 1 (Holt).

**SCRep. 28      Economic Development on S.B. No. 1026**

The purpose of this bill is to appropriate money to the Department of Business, Economic Development, and Tourism (DBEDT) for fiscal years 1995-1996 and 1996-1997 to develop a strategic plan for Ka'u.

Advocates of the bill stress the great need for a strategic plan for Ka'u. The district is currently facing grave economic conditions with unemployment being well above the state average, while average personal income is well below the state average. Furthermore, Ka'u Agribusiness, the Ka'u district's largest agricultural employer, is scheduled to phase down operations completely by the end of 1996.

Representatives of the community expressed a concern with the development process of the strategic plan. The community has been working on a plan for the last two years and stressed a desire for their work to be considered by DBEDT during the development of the strategic plan. The community representatives also expressed a desire to be included in the planning process.

Your Committee adopted the recommendations of the Ka'u Community Development Corporation by amending the bill to include the community in all phases of development of the strategic plan.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1026, S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 29      Judiciary on S.B. No. 1622**

The purpose of the bill is to increase the fee for filing a name change petition from \$10 to \$20.

Testimony in support of the bill was received from the office of the lieutenant governor. The Committee recognizes that the filing fee has been \$10 since 1985. Meanwhile, the demand for name change applications has increased nearly 60 per cent due in part to the federal immigration act of 1990, whereby name changes are no longer granted as part of the naturalization process.

Your Committee is well aware that staff and processing costs have increased since the last fee change. Furthermore, your Committee believes that the proposed increase is justified and unlikely to be an undue burden to the applicant.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1622 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 30      Judiciary on S.B. No. 1769**

The purpose of the bill is to authorize state and county criminal justice agencies, acting on behalf of the Hawaii Criminal Justice Data Center (HCJDC), to charge fees for conducting criminal history record checks, processing expungement applications, and accessing state criminal justice information. In addition, it establishes a revolving fund with the moneys generated from the assessed fees, to be used to improve the criminal history record information system.

Your Committee recognizes that the demand for conviction information has escalated, as awareness has grown regarding the availability of such information as public record. Your Committee finds that 50,000 records of disposition remain outstanding, despite HCJDC's efforts to improve the accuracy, timeliness, and completeness of the information found in the Offender-Based Transaction Statistics/Computerized Criminal History (OBTS/CCH) system.

In addition, the bill authorizes state and county criminal justice agencies acting on behalf of HCJDC to charge fees for their services, and establishes a revolving fund in which to deposit the fees for the improvement of the criminal history record information system. Your Committee finds that the fees recommended are nominal and are not likely to place an undue burden on those requesting HCJDC records. Furthermore, your Committee finds that by establishing fees, HCJDC will be able to recoup part of the costs associated with providing criminal history information, as well as costs associated with improving the quality of criminal history records as mandated by recent federal acts.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1769 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 31      Judiciary on S.B. No. 89**

The purpose of the bill, as received by your Committee, is to amend Chapter 353F, Hawaii Revised Statutes, by adding a new section that will create a series of enforcement mechanisms to ensure that the State's correctional facilities remain within specified capacity limits.

Chapter 353F, HRS, gave the corrections population management commission the authority to establish capacity limits at all correction facilities, and authorized the department of public safety to enforce these limits. Your Committee finds however that the law as enacted does not specify the method or provide the adequate legal authority to accomplish this purpose. This bill provides the method and the legal authority.

Specifically, the bill provides that when a facility holding misdemeanants and pretrial detainees reaches ninety-five percent of the capacity limit for a period of thirty consecutive days or exceeds one hundred per cent of the capacity limit for five consecutive days, the director is authorized to release certain non-felony pretrial detainees and misdemeanants. Should these measures fail to provide adequate relief, the director is then required to prepare a list of felony pretrial detainees. The court is thereupon authorized to hold review hearings to determine the felony pretrial detainees to be released. Your Committee is persuaded that the release provisions in the bill are well-structured, well-thought-through, and based on specific criteria as set forth in the bill.

Testimony in support of this measure was received from the corrections population management commission, the department of public safety, the attorney general, the Hawaii paroling authority, and the American Civil Liberties Union (ACLU). The chair of the corrections population management commission referred to the bill as a "bill of last resort". The ACLU testified that the criteria for this bill originated from the Rhode Island model that is considered by correction experts as the best in the nation.

Testimony in opposition to the bill was received from the prosecutors' office. The prosecuting attorney was concerned that the priorities set for misdemeanants had no regard for the criminal history of the individual. Your Committee has therefore amended the bill by providing language to preclude the director from releasing misdemeanants and pretrial detainees whom he deems dangerous and a threat to public safety. Your Committee finds that the court proceedings required in the bill will adequately provide for a close and careful review of the individual's criminal history, with both a prosecutor and public defender present to provide information for determination by the court.

Your Committee finds that although this bill may be considered one of "last resort", there are sufficient safeguards to satisfy its concerns about public safety. Your Committee believes that the bill complies with the the commission's mandate to establish and maintain effective control over the size of the inmate population.

Your Committee amended the bill at the suggestion of the paroling authority by deleting the word "suspend" on page 8, line 20, and replacing it with the word "modify" to provide greater discretion to the paroling authority to meet the provisions of the bill and to avoid legal challenge.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 89, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 89, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 32      Judiciary on S.B. No. 1770**

The purpose of the bill is to provide for discretionary negotiation by the child support enforcement agency (CSEA) with a parent regarding a proposed order of support, require the filing of an administrative order in the circuit where the support order is filed, and facilitate income withholding to liquidate past due support in interstate cases.

Testimony in support of this measure was submitted by the attorney general.

Your Committee finds that granting CSEA the discretion to enter into negotiations with a parent on proposed support orders will streamline the support payment process, which is in the interest of both the parents and CSEA. Currently, CSEA is required to negotiate every proposed support order, which may not always be necessary. However, your Committee feels strongly that CSEA should use restraint in exercising this discretion.

Your Committee finds that the second provision of the bill will help ensure complete record keeping in the courts, enabling CSEA to initiate appropriate enforcement actions more efficiently. Furthermore, your Committee finds that the bill's final provision, establishing priority for an income withholding order for the payment of child support, is required by federal law and will permit Hawaii to obtain federal state plan approval and federal funding.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1770 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 33      Communications and Public Utilities on S.B. No. 645**

The purpose of this short form bill is to amend the Hawaii Revised Statutes relating to information.

Your Committee has amended this bill by inserting provisions to increase the overall efficiency of government operations by providing public access to government information and notices through the State's information network and by fax; requiring the department of budget and finance, in conjunction with other appropriate agencies, to establish standards relative to such access; and providing access to the legislature and auditor to computer-based information on state revenues, disbursements, and expenditures.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the action to report out S.B. No. 645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 645, S.D. 1, and be recommitted to the Committee on Communications and Public Utilities for further consideration.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Liu).

**SCRep. 34 (Majority) Hawaiian Affairs on S.B. No. 374**

The purpose of this bill is to establish a ban on the exchange, transfer, sale, or encumbrance of ceded lands by state agencies, for public, federal, or other non-Hawaiian uses. The bill allows existing contracts to continue according to their terms; provided that, if a contract expires during the moratorium period, unless the terms of the contract permit renegotiation, the land shall be set aside for a Hawaiian Sovereign Nation in a designated "Hawaiian National Land Trust."

"Ceded" lands refers to those lands confiscated by the Provisional Government at the time of the overthrow of the Hawaiian Kingdom in 1893, and ceded to the United States upon annexation in 1898. Many of those lands were later sold to private parties. The remaining public lands became parts of land trusts pursuant to the Admission Act, an act that provided for the admission of the State of Hawaii into the United States of America.

Several native-Hawaiian groups are committed to establishing a sovereign Hawaiian nation on these "ceded" lands that they feel were unjustly taken by the United States. These native Hawaiian groups desire to affirm their belief "to exercise their inherent right to self-determination through a mechanism of their own choosing by preserving the ceded land trusts from further diminution by means of a ban on the exchange, transfer, sale, or encumbrance of lands ceded." This bill addresses this issue.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 374 and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, 1 (McCartney). Excused, none.

**SCRep. 35 Health on S.B. No. 27**

The purpose of this bill, as received by your Committee, is to limit the medical services excise tax credit to \$200 per individual income tax return and exempt certain health care goods and services from the general excise tax.

Your Committee finds that the imposition of the general excise tax on health care goods and services has the effect of increasing health care costs as the providers pass on the tax to the consumers. Your Committee further finds that the medical services excise tax credit, which was intended to provide relief for those who incur large health care expenses, has been ineffective as presently enacted. Your Committee further believes that rather than exempting all health care goods and services from the general excise tax, a more reasonable approach would be to modify the medical services excise tax credit. Therefore, your Committee has amended this bill by:

- (1) Removing the caps on the medical excise tax credits, effective with the taxable years beginning after December 31, 1996; and
- (2) Deleting all amendments which exempt health care goods and services from the general excise tax.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 27, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 27, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 36 Health on S.B. No. 200**

The purpose of this bill is to establish the food safety education advisory committee within the department of health, to advise the director of health on food safety issues, generate participation by the food management industry in food safety education activities, and generally review and evaluate such education activities.

Your Committee agrees that education is the most effective means in controlling potential problems related to hazardous food and the spread of foodborne diseases.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee 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 Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 37 Health on S.B. No. 295**

The purpose of this bill is to establish the healthy start program as a permanent program within the department of health and to extend the program's services to all families of infants at risk for child abuse and neglect.

The healthy start program was authorized by the legislature in 1984 as a pilot child abuse and neglect prevention program, and was subsequently expanded through additional funding to thirteen sites statewide. Your Committee finds that the success of the pilot program has been significant, and has proven that funds invested at the front end for child abuse prevention are more effective and can result in substantial cost savings than would otherwise be required for support services for increasing numbers of abused and neglected children.

After due consideration, your Committee has amended this bill by:

- (1) Adding language to provide that the relevant services shall be offered through the State's existing health care delivery system on a purchase of service contract basis, where practicable;
- (2) Deleting section 3 in its entirety, providing for appropriations and a 1999 target date for services to be fully established, and deleting the 1999 target date cross reference in section 1;
- (3) Adding language providing for a schedule of verifiable results and permitting the department to decrease program funding if such results are not achieved; and
- (4) Making several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 295, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 38 Health on S.B. No. 484**

The purpose of this bill, as received by your Committee, is to provide a method for appointment of members to the physician assistant advisory committee and to allow the committee access to all materials necessary to carry out their functions.

Your Committee finds that the physician assistant advisory committee serves a vital function by providing input regarding the regulation of practitioners within the medical community. Your Committee further finds that the appointees to the advisory committee should represent a broad spectrum of the discipline and as practicable include representatives from the neighbor islands.

Testimony in support of this measure was submitted by the Hawaii academy of physician assistants and testimony in opposition was submitted by the department of commerce and consumer affairs. Upon further consideration of the testimony, your Committee has amended this bill by:

1. Allowing the chairperson of the board of medical examiners to appoint the committee members from a list of nominees submitted by the state chapter of the American Academy of Physician Assistants and the public at large;
2. Providing that the committee be composed of physician assistants in various clinical settings;
3. Deleting the clause which requires access to all material necessary to carry out the regulatory functions regarding physician assistants; and
4. Deleting the clause which provides a vote to the representative of the advisory committee.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 484, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 39 Health on S.B. No. 582**

The purpose of this bill is to appropriate an unspecified sum to train public health nurses to provide a new standard of prenatal care.

Your Committee finds that the United States ranks twentieth world-wide in infant mortality as our prenatal care system fails to focus on the needs of the mother. A five-year demonstration project, "Malama Na Wahine Hapai", conducted by public health nurses in the Hilo-Puna area for pregnant women has demonstrated that the nursing model and protocols developed improved the chances for a positive pregnancy and a healthy outcome. This bill appropriates funds to train all public health nurses to provide prenatal care under the Malama Na Wahine Hapai standard of care.

Your Committee has amended the bill by making stylistic amendments that do not affect the substance of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 582, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, one.

#### **SCRep. 40 Health on S.B. No. 1086**

The purpose of this bill is to appropriate funds for Wilcox Memorial Hospital for hardening of the hospital building to allow it to function during emergencies.

Your Committee finds that Wilcox Memorial Hospital provides a necessary and irreplaceable medical service to the population of fifty thousand of Kauai county. The hospital is a safety net for Kauai's people, both local and visitor. In times of emergency, such as Hurricane Iniki, Wilcox Hospital must have the ability to function at one hundred per cent capacity with maximum efficiency. This appropriation would be used for hardening the building, including an emergency water system, generators for steam sterilization, emergency laundry, an air conditioning system for surgery and obstetrics, and various structural improvements.

Your Committee has amended this bill by deleting "perceived, as in reality, as" before "a safety net" at line 4 of page 1, of the bill as received.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 41 Transportation and Government Affairs on S.B. No. 626**

The purpose of this short form bill is to amend the Hawaii Revised Statutes relating to transportation.

Your Committee has amended this bill by inserting provisions that allow the department of transportation, notwithstanding Act 212, Session Laws of Hawaii 1994 (the early retirement law), to retain for fiscal year 1995-1996, three positions for airports, one for harbors, eight for highways, and four for administration.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the action to report out S.B. No. 626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 626, S.D. 1, and be recommitted to the Committee on Transportation and Government Affairs for further consideration.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 42 Transportation and Government Affairs on S.B. No. 1783**

The purpose of this short form bill is to amend the Hawaii Revised Statutes relating to the Hawaii Public Procurement Code.

Your Committee has amended this bill by inserting provisions that makes the procurement office independent of the controlling office, and repeals the requirement for centralized procurement and returns all rights, powers, duties, and authority relating to procurement exercised by governmental agencies that existed prior to the enactment of the procurement code. The bill also amends the law concerning:

- (1) The employment of attorneys;
- (2) State contracts with legislators;
- (3) Exemptions to the procurement code; and
- (4) The chief procurement officer's ability to exempt items from the procurement code.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the action to report out S.B. No. 1783, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1783, S.D. 1, and be recommitted to the Committee on Transportation and Government Affairs for further consideration.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SRep. 43 Economic Development on S.B. No. 1737**

The purpose of this bill is to ease program implementation of the enterprise zone program by deleting unnecessary language, clarifying ambiguous language, and updating language. The bill also makes substantive changes to improve program effectiveness by allowing the low-income hiring guidelines to vary according to family size and to be updated annually rather than every ten years.

The Department of Business, Economic Development, and Tourism (DBEDT) testified that the bill is a necessary "housekeeping" measure to delete unnecessary provisions and ambiguous language, and to update obsolete sections. These changes will reduce county program administration.

DBEDT stated that the bill also makes substantive changes that will allow the inclusion of more low-income families and make it less costly for businesses to participate in the program by allowing any accountant, rather than a certified public accountant, to verify business eligibility.

The Department of Taxation did not oppose the bill, but questioned the clarity of the language change in section 5(c) from "independent certified public accountant" to "independent accountant."

Your Committee, taking into consideration the concerns of the Department of Taxation, amended the bill by changing section 5(c) to read "independent public accountant" as opposed to "independent certified public accountant."

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee 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 Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SRep. 44 Ecology and Environmental Protection on S.B. No. 1640**

The purpose of this bill is to authorize the removal of unauthorized structures in beach areas and submerged lands at no cost to the State by amending chapter 171, Hawaii Revised Statutes. This bill allows for the placement of liens for cost of removal upon property of persons responsible for illegal structures.

Beaches and coastal areas are a fragile and valuable natural resource within the public domain. Landowners have constructed seawalls and other structures on public beach lands without approval. These structures not only deprive the public of scarce beach lands but also cause erosion of the remaining beach in the area. The existence of these illegal seawalls and structures on state beach lands are public nuisances.

Your Committee believes that the removal of these illegal structures will preserve and protect the beaches and coastal areas and the public's right to use them.

Testimony for this bill was generally supportive; Kamehameha Schools Bishop Estate testified against it. Your Committee has amended this bill to clarify conditions under which variances may be obtained to address concerns raised regarding the removal of unauthorized structures which:

- (1) Enhance public access to the shoreline;
- (2) Contribute to public recreational use; and
- (3) Do not create adverse environmental effects.

Other technical amendments were made.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1640, S.D. 1, and be referred to the Committee on Planning, Land and Water Use Management.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SRep. 45 Ecology and Environmental Protection on S.B. No. 1675**

The six purposes of this bill are:

- (1) To conform the state water pollution control law to the federal requirements of the National Pollutant Discharge Elimination System (NPDES);
- (2) To authorize the Director of Health to regulate not only wastewater, but also the by-products of wastewater (such as reclaimed water, sewage sludge, and other removed substances) regardless of where they are used or disposed, through water pollution permits; and to create a unified enforcement regime for wastewater;
- (3) To clarify that monetary penalties may be imposed, both through administrative proceedings and through civil lawsuits brought originally in court, in the pollution control statutes on water, drinking water, air noise, solid waste, hazardous waste, underground storage tanks, used oil, and asbestos;
- (4) To clarify or establish that non-criminal penalties for obstructing inspections may also be imposed administratively;
- (5) To expand the list of factors considered in imposing administrative penalties to conform with the 1994 Environmental Summit bills on air and water pollution administrative penalties (Acts 268 and 269, Session Laws of Hawaii 1994); and
- (6) To clarify that administrative penalties may be imposed for both past and ongoing violations.

Your Committee finds that the statutory amendments proposed in this bill improve consistency between federal and state environmental protection laws, clarify and simplify the department's authority to issue permits to wastewater facilities, including effluent reuse systems and wastewater sludge treatment and disposal facilities, and clarify the department's authority to seek penalties for violations.

Your Committee further finds that this bill does not deprive polluters of their rights under existing law to contest administrative penalties by allowing for timely requests for contested case hearings and judicial review of such hearings. Your committee received testimony in support of this bill from the Office of State Planning and the Department of Health.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

#### **SCRep. 46 Education on S.B. No. 102**

The purpose of this bill, as received by your Committee, is to appropriate funds for the expansion of the Hawaiian language immersion program within the public school system.

Your Committee finds that the Hawaiian language immersion program, papahana kaiapuni Hawaii, was first implemented in 1987 as a pilot project on Oahu and Hawaii and has since been expanded to all the islands. Your Committee further finds that papahana kaiapuni Hawaii has been a tremendous success in educating public school children in the language and culture of native Hawaiians and the demand for the program far exceeds available classroom space, instructors, and materials. Your Committee notes that section 4 of Article X of the Hawaii Constitution mandates the State to promote the study of Hawaiian culture, history, and language through a Hawaiian education program in the public schools and papahana kaiapuni Hawaii meets the requirements of this mandate.

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

- (1) Clarifying that the appropriation be used for the expansion of the Hawaiian language immersion program, papahana kaiapuni Hawaii, including hiring of teachers, teacher preparation, instructional materials, and facilities;
- (2) Authorizing the department of education to establish six full-time equivalent off-ratio teaching positions for the program;
- (3) Establishing a task force to study and make recommendations to the legislature on the creation of a single papahana kaiapuni Hawaii campus system;
- (4) Making nonsubstantive technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 102, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

#### **SCRep. 47 Education on S.B. No. 327**

The purpose of this bill is to convert to permanent status fifteen temporary athletic trainer positions in the public high schools.

Your Committee finds that the current athletic trainers have implemented viable health and safety standards within the public high school athletic programs which have mitigated the potential for incurring serious injury by student athletes. Your Committee further finds that the athletic trainers provide on-site services which reduce the need for and additional costs of seeking treatment from private sector health care providers.

Testimony in support of this measure was submitted by the superintendent of education, the athletic training education program director at the University of Hawaii, and a public high school principal.

Upon consideration of the testimony, your Committee has amended this bill by:

- (1) Inserting a requirement that all public school athletic trainers be certified by the national athletic trainers association, board of certification; and
- (2) Inserting a grandfather provision for incumbent trainers to exempt them from the national certification.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 327, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 48 Education on S.B. No. 502**

The purpose of this bill, as received by your Committee, is to appropriate funds to the school-level repair and maintenance accounts for each public school and to exempt such projects from the provisions of chapter 103D, Hawaii Revised Statutes.

Your Committee finds that the school-level repair and maintenance accounts have made it possible for the school principals to directly contract for minor repair and maintenance (R&M) projects which the department of accounting and general services has not been able to complete in a timely manner. Your Committee notes that these accounts are funded through appropriations formerly made to the department of accounting and general services program (AGS 807), and thus the funding of these accounts does not involve appropriation of additional moneys for R&M projects. Your Committee further finds that under the present law, the schools are prohibited from initiating minor improvements such as installing a new fixture in a classroom which would fall under the original concept of these school-level accounts. Thus, to provide this authority and the necessary resources, your Committee has amended this measure by:

1. Amending section 296-40.5, Hawaii Revised Statutes, to change the name and scope of the school-level accounts to include authority to make minor improvements; increase the ceiling on the accounts to \$20,000; provide the principals with the discretion to allow the department of accounting and general services to perform services and receive compensation from the accounts; exempt the expenditures from chapter 103D; and require an annual report to the legislature on expenditures from the department of accounting and general services; and
2. Making an appropriation of \$4,820,000 in each fiscal year to provide sufficient funding for these accounts.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 49 Education on S.B. No. 647**

The purpose of this short form bill, as received by your Committee, is to amend the Hawaii Revised Statutes relating to education.

Your Committee finds that the U.S. Congress enacted the Gun-Free Schools Act of 1994 as an amendment to the Elementary and Secondary Education Act of 1965, as amended. Your Committee further finds that this Act requires that all states adopt a mandatory expulsion policy for any student attending a public school who is found in possession of a firearm, provided that the local governing authority may modify the expulsion policy on a case-by-case basis. Your Committee notes that this mandate also requires the states to adopt this policy by October, 1995, in order to continue to receive federal funds under the Elementary and Secondary Schools Act, as amended. Your Committee has amended this bill by inserting provisions to comply with this mandate.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out S.B. No. 647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 647, S.D. 1, and be recommitted to the Committee on Education for further consideration.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 50 (Joint/Majority) Education and Agriculture, Labor, and Employment on S.B. No. 885**

The purpose of this bill is to appropriate funds to continue the social worker positions assigned to the school-to-work transition programs at Waianae and Farrington high schools.

Your Committees find that the school-to-work transition programs at Waianae and Farrington high schools use a multi-disciplinary team approach to address the needs of at-risk students who might otherwise leave the public school setting without the necessary basic skills to transition into the workplace. Your Committees further find that the transition programs are a model example of the type of alternative programs which are needed in our public schools to respond to the broad spectrum of needs within our diverse student populations. Your Committees further believe that the school-to-work transition programs fit well within the school/community-based management model of systemic education reform presently being implemented within our public school system.

As affirmed by the records of votes of the members of your Committees on Education and Agriculture, Labor, and Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 885 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, 1 (Kawamoto). Excused, 2 (Solomon, Anderson).

**SCRep. 51 Education on S.B. No. 954**

The purpose of this bill is to appropriate funds to expand the parent-community networking center (PCNC).

Your Committee finds that PCNC is one of the most successful programs in the Department of Education. Over the years, PCNC has improved school-community relations, instilled positive attitudinal changes among teachers and parents, and increased the number of parents involved in the education of Hawaii's youth.

This bill would enable PCNC to expand the present one hundred fifty-five schools with an additional eighty-five schools. Your Committee finds that this expansion would significantly enhance the level of parental participation in public education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 954 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 52 Education on S.B. No. 1043**

The purpose of this bill is to create a new statutory chapter on prevention of physical and sexual violence.

Your Committee finds the current efforts in violence prevention of the Department of Education and those of private nonprofit agencies in the community should be expanded. Violence prevention can reach Hawaii's youth in all public schools if existing violence prevention efforts are expanded and partnerships are encouraged with other groups.

The Department of Education submitted supporting testimony indicating that they have been concerned that the increase in violence in society is spilling over into the schools. Although the Department has programs in place now to deal with this problem, your Committee believes that a comprehensive, coherent, and accountable program to fight physical and sexual violence is necessary and should be statutorily mandated. This bill places the program under the jurisdiction of the Department of Education.

Your Committee has left unspecified the appropriation in deference to the Committee on Ways and Means.

Your Committee received other supporting testimony from the Office of Children and Youth, the Honolulu City and County Committee on the Status of Women, the Hawaii Chapter of the National Association of Social Workers, the Kapiolani Health Care System, the Sex Abuse Treatment Center, the Hawaii State Coalition Against Sexual Assault, the Honolulu Police Department, and numerous other community organizations involved in violence and assault treatment and counseling.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1043 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 53 Education on S.B. No. 1187**

The purpose of this bill is to appropriate funds for the development and operation of a native Hawaiian instruction program in the Hawaiian language for public school students on Ni'ihau and Kaua'i.

Your Committee is in agreement with the testimony in support of appropriating funds for the development of Hawaiian language instruction for students on Ni'ihau and Kaua'i. The Department of Education supports this bill and believes it serves an important purpose in preserving the language and dialect for future generations. Strong support in favor of the appropriation was also voiced by the Office of Hawaiian Affairs and many other individuals from the community.

Your Committee finds that it would be in the best interest of the State and the people of Hawaii to preserve the native language by appropriating funds which will encourage and support Hawaiian language training to future generations.

Your Committee adopted the recommendations of those who testified in support of S.B. No. 1187 and made only technical non-substantive changes to the bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1187, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

#### **SCRep. 54 Higher Education, Culture, and Arts on S.B. No. 634**

The purpose of this short form bill is to amend the Hawaii Revised Statutes relating to higher education.

Your Committee has amended this bill by inserting housekeeping measures relating to the research corporation of the University of Hawaii.

Specifically the provisions;

- (1) Increase the board of directors of the research corporation from nine to ten members;
- (2) Require that five members of the board of directors of the research corporation be selected and their terms determined by the board of regents; provided that no term shall extend beyond the term as a member of the board of regents;
- (3) Repeal the provision that the director of research of the University of Hawaii, and the director of business, economic development, and tourism of the State, or a designated representative, shall serve as ex officio voting members;
- (4) Decrease from six to five, the number of members of the board of directors appointed by the governor;
- (5) Require that all members appointed by the governor other than the board of regents, shall serve for a term of four years or as specified by the governor;
- (6) Allow the board of directors to enter into and perform contracts, leases, cooperative agreements, or other transactions with the University of Hawaii or any other agency or political subdivision of the State;
- (7) Require the President of the University of Hawaii to be the president of the corporation and that the board of directors may also appoint such other officers; and
- (8) Allow the special account of the special fund of the research corporation to be used to receive, disburse, and account for funds of research and training projects of the University of Hawaii, other state agencies, and political subdivisions of the State.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the action to report out 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 recommitted to the Committee on Higher Education, Culture, and Arts for further consideration.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

#### **SCRep. 55 Human Services on S.B. No. 632**

The purpose of this short form bill, as received, is to amend the Hawaii Revised Statutes with respect to long-term care.

The purpose of this bill, as amended, is to appropriate funds to support of the Hawaii Long Term Care Reform Task Force.

This bill, as amended, also encourages the participation and cooperation of state agencies and the legislature and the participation and financial support from the private sector.

Your Committee finds that it is a matter of compelling state interest to assure a system of long-term care services to Hawaii's growing elderly population and their families that is affordable, available, and of high-quality. When nursing facility or other long-term care services become necessary in someone's life, a number of problems confront a family, including family adjustment to a difficult situation, social and psychological impact on the family, and the high costs which threaten to deplete a family's financial resources. To handle these problems, caregivers often have to radically alter their lives, including reducing or giving up employment which leads to a lower standard of living for themselves, reduced pension benefits, and loss of career.

Your Committee further finds that average annual nursing home charges exceed the ability to pay for most families. Statistically, persons sixty years of age or older presently account for almost one-fifth of the adult population of the State. By the year 2020, they will constitute more than one-fourth of Hawaii's adult population, and nearly one-third of them are expected to have functional disabilities necessitating nursing care or other daily assistance.

In response to this dire social and economic outlook, the Honolulu Japanese Chamber of Commerce formed a long-term care task force in 1993 to identify, study, and address issues and problems of long-term care. The task force concluded in part that Hawaii needs concerted leadership to study and understand the needs, costs, and financial resources associated with long-term care for the next twenty years. Unfortunately, after making notable progress in identifying what needs to be done for now, the task force did not have the financial resources and long-term care expertise to continue.

Succeeding to the task force is a nonprofit organization, The Caring...For Life Foundation, to carry out the mission and objectives of the task force. In addition, the Foundation acts as a clearing house to gather and disseminate information relating to social, recreational, educational, healthcare, and other services for senior citizens; assists in the development and improvement of methods for providing long-term care protection; provides social, recreational, and other benefits to senior citizens to improve their health and welfare; conducts or assists in research projects in geriatrics and gerontology; and does whatever else is important to promote and enhance the quality of life for senior citizens residing in Hawaii.

Your Committee believes that The Caring...For Life Foundation fills a void in providing a necessary public service which the State would otherwise have to provide. This appropriation would enable the Foundation to bring back the task force to continue its valuable work of drafting a blue print for the future of long-term care in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out S.B. No. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 632, S.D. 1, and be recommitted to the Committee on Human Services.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 56      Judiciary on S.B. No. 88**

The purpose of the bill is to amend chapters 28, 353C, and section 601-3, Hawaii Revised Statutes, to require the attorney general and the administrative director of the courts to assist the director of public safety in preparing prison impact assessments for the legislature.

The bill provides that the prison impact assessment will be prepared in response to a request from a chairperson of a standing committee to which a bill is referred in either house of the legislature. This information will better enable the legislature to consider the impact of any legislation on the prison system.

Testimony in support of the measure was received by your Committee from the judiciary, the corrections population management commission, the department of public safety, and the attorney general. The chair of the corrections population management commission, testifying in support of the bill, used the example of a prostitution bill pending before the legislature. An impact assessment in this instance would provide the legislature with valuable information on the specific impact and cost implications of a particular measure under consideration.

Your Committee has been assured by the department of public safety that it believes that with the assistance of the attorney general and the judiciary, the department can comply and provide the information needed to assist the legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 88 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsuura).

#### **SCRep. 57      (Joint) Planning, Land and Water Use Management and Higher Education, Culture, and Arts on S.B. No. 4**

The purpose of this bill is to establish a special University of Hawaii Kapolei development zone in Kapolei, Oahu.

The University of Hawaii has undertaken an exhaustive study of various sites for the location of a campus to serve the residents of West Oahu. The study concluded that Kapolei was the only site for the campus which would be consistent with existing and long-term public policy.

Your Committees believe that establishing a special development zone for the construction of a campus at Kapolei is appropriate and necessary to facilitate and expedite the plans, design, and construction of the project.

Your Committees have inserted a drop-dead provision as of December 31, 1995, if the land reclassification has been approved and if the City and County of Honolulu has approved appropriate amendments to the Ewa Development Plan to accommodate the campus.

Your Committees have received information that the City and County of Honolulu Department of Land Utilization has approved the subdivision application and accompanying map for the University of Hawaii West Oahu Campus, and that

the map will be transmitted to the Land Court for filing and final approval very shortly. Absent final approval of the map from Land Court, a final description of the subject parcel cannot yet be included within the bill. Your Committees have further amended the bill to include a preliminary description pending Land Court final approval. Upon receipt of final approval of the map from Land Court, your Committees find that the appropriate description should be inserted into the bill.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Higher Education, Culture, and Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 4, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 4, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Ikeda, Matsunaga, McCartney, Taniguchi).

**SCRep. 58 Planning, Land and Water Use Management on S.B. No. 1309**

The purpose of this bill is to appropriate funds to construct a backup water well in Kaunakakai, Molokai.

At the Committee hearing on this bill, the Department of Water Supply of the County of Maui stated that this project is the top priority of their capital improvement projects. This proposed well will be the only backup well to an existing well in Kaunakakai, which has not been operating since November of 1993. The Kaunakakai Well was the major water source for the town of Kaunakakai, which has since been served by a well from the Department of Hawaiian Home Lands.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 59 Planning, Land and Water Use Management on S.B. No. 1828**

The purpose of this bill is to appropriate funds to continue to support the recovery efforts of Hilo-Hamakua residents of the island of Hawaii to rebuild their community.

Your Committee finds that the Hilo-Hamakua residents have made significant progress in rebuilding their community in the wake of the economic disaster precipitated by the demise of the sugar industry. Residents mobilized into six task forces/work groups to help themselves: employment and training; housing; diversified agriculture; high technology; family, health, and community support; and economic development. These task forces/work groups have had positive results. Your Committee further finds that these efforts are admirable and commendable. Now, in order to enable the residents to continue these efforts to help themselves, it is imperative that the funds already committed to the restoration of the Hilo-Hamakua community continue to be available.

Your Committee has amended this bill based on the supporting testimony of the Board of Agriculture. The provision on microloans under section 7 of the bill, as received, has been transferred to section 9 of the bill, which places it under the jurisdiction of the Department of Business, Economic Development, and Tourism rather than the Department of Agriculture. Your Committee also made technical, nonsubstantive amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1828, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 60 Planning, Land and Water Use Management on S.B. No. 1905**

The purpose of this bill is to create a temporary state facilities innovation task force to establish and place into operation a pilot child care/park and ride facility project at Aloha Stadium.

Your Committee finds that state facilities, when not in use for their intended purpose, should be better utilized for purposes that serve the public, even if those purposes are different than that for which a particular facility was designed. One ideal public use for the Aloha Stadium is to provide a facility for the commuting public to park their cars on their way to work and to be able leave their children there for day care.

Testimony from the Office of State Planning indicated that the cost of constructing such a facility would be in the millions of dollars and that it would cost hundreds of thousands of dollars just for the engineering plans and designs. Your Committee finds accordingly that planning for the feasibility of establishing such a facility is more prudent at the present than constructing it. Based on testimony from the Office of State Planning, by amending the purpose of the task force your Committee further finds that such planning can be accomplished without an appropriation of public funds. However, your Committee has retained the appropriation proviso in the bill to allow for further review by the Committee on Ways and Means.

Your Committee received supporting testimony from the Office of State Planning, the Office of Children and Youth, the Department of Human Services, and the Stadium Authority.

Your Committee has amended this bill by replacing references to establishing and operating a facility with references relating to the planning of the facility. Your Committee has deleted section 5 of the bill, authorizing the task force to exempt the facility from state and county permits not having a direct impact on health and safety, based on the testimony of the Office of State Planning.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1905, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

**SCRep. 61 Planning, Land and Water Use Management on S.B. No. 1936**

The purpose of this bill is to designate the Department of Land and Natural Resources as the lead agency in coordinating the Kahuku master flood control plan.

Your Committee believes that the Department of Land and Natural Resources is the appropriate state agency to coordinate the project through exercising oversight authority and general jurisdiction.

Your Committee has amended this bill by adding that an initial progress report be submitted before the convening of the regular session of 1996 and a final report be submitted before the convening of the regular session of 1997. This is to give the Department of Land and Natural Resources adequate time to do this report, in view of its testimony that it is understaffed and needs the extra time.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1936, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 62 (Joint) Planning, Land and Water Use Management and Transportation and Government Affairs on S.B. No. 559**

The purpose of this bill is to allow the county of Kauai to be eligible for designation as an enterprise zone for a period of twenty years after the designation is made and to repeal the deadline of January 1, 1996, to make that designation.

Under present law, if a designation is made, the county of Kauai has until January 1, 1996, for the designation to remain in effect under Chapter 209E, Hawaii Revised Statutes, relating to creating enterprise zones for the purpose of attracting private sector investments to revitalize the county.

Your Committees have amended this bill by imposing a deadline of January 1, 1997, to designate an enterprise zone after which the designation shall remain in effect for a period of twenty years.

Your Committees received supporting testimony from the Department of Business, Economic Development, and Tourism.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Transportation and Government Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 559, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 559, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Holt, Matsunaga, Taniguchi).

**SCRep. 63 Human Services on S.B. No. 1682**

The purpose of this bill is to make emergency appropriations for two programs under the Family and Adult Services Division of the Department of Human Services.

These programs are the Aid to Families with Dependent Children and General Assistance.

Your Committee finds that a critical funding emergency exists because these programs will expend all funds already appropriated before the end of the current fiscal year. These programs provide financial assistance to needy individuals and families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1682 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 64 Human Services on S.B. No. 1690**

The purpose of this bill is to appropriate funds for operating expenses for the state medical assistance program under the Department of Human Services (med-QUEST division).

Your Committee finds that a critical funding emergency exists because the medical assistance program, also known as the Medicaid program, will expend all funds already appropriated by the end of the fiscal year. The affected part of the Medicaid program is health services for the aged, blind, or disabled.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1690 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 65 Human Services on S.B. No. 382**

The purpose of this bill is to appropriate funds for the youth outreach project.

The project is a joint effort of Hale Kipa, Inc. and the Waikiki Health Center. The project offers a comprehensive program of services to homeless teenagers in Waikiki, including counseling and referral services, free medical care, and health education.

Your Committee has amended this bill to accurately reflect the description of services offered by both organizations. Your Committee has also amended by this bill by reducing the appropriation amount to \$75,000 and by extending by one year to June 30, 1996, the repeal date of Act 162, Session Laws of Hawaii 1990, relating to community-based teenage health clinic demonstration project.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 382, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 66 Human Services on S.B. No. 966**

The purpose of this bill is to appropriate \$1,540,965 for fiscal year 1995-1996, and \$2,620,250 for fiscal year 1996-1997, to adequately fund the chore services program of the Department of Human Services (DHS).

Your Committee finds that the DHS chore services program assists elderly and disabled persons with household duties so that they may live with dignity in their own homes.

Your Committee also finds that although funding for the chore services program exists in this year's executive budget request, the amount is not adequate to meet the projected needs of the program's constituency.

Consequently, your Committee has amended the bill by adding \$22,570 to the \$1,540,965 requested for fiscal year 1995-1996 and simplifying the purpose statement contained in section 1.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 966, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 67 Human Services on S.B. No. 1484**

The purpose of this bill is to extend the repeal date to June 30, 2000 for the Maluhia Waitlist Project of the Department of Health.

Your Committee has amended this bill by extending the repeal date to June 30, 1998, and by inserting a proviso that the Act is repealed if federal matching assistance is terminated, whichever is sooner.

Your Committee finds that extending the repeal date by two years to June 30, 1998, is a reasonable time for the federal Health Care Financing Administration to review the State's waiver renewal package. The extension will also allow the State to plan for Phase II of the QUEST Program. The Maluhia Waitlist Project is a demonstration project which needs federal medicaid waivers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 68 Human Services on S.B. No. 1688**

The purpose of this bill is to adjust the rate of payment made to adult residential care home providers for domiciliary care provided to certain public assistance recipients.

Your Committee finds that adult residential care homes are an alternative to institutionalization for many persons who are mentally retarded or developmentally disabled. Your Committee further finds that residential care offers a less costly alternative to institutional care and therefore an increase in rates is warranted to maintain this important component of the long-term care system.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1688 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 69 Human Services on S.B. No. 166**

The purpose of this bill is to establish an interagency resource development unit within the Department of Human Services to secure public, private, and federal funds for child welfare services and to establish an interagency resource development special fund to receive and expend all federal reimbursements and private funds for child welfare services.

Your Committee finds that there is an immediate need to aggressively seek federal dollars for state child welfare programs. These federal funds are available on a matching basis with state funds. Federal funds are limited in amount and in the time frame in which to process an application for those funds. According to the child welfare services reform task force, established pursuant to Senate Concurrent Resolution No. 89, S.D. 1, H.D. 1, (1994) to develop a blueprint for reform in child protective services, there is currently a very limited window of opportunity to secure emergency assistance and other funding available under Titles IV-A, IV-B, IV-E, and XIX of the Social Security Act.

The task force recommended that the Legislature establish an interagency resource development unit with the Department of Human Services to pool resources in order to be better positioned to apply for both federal and private funds for state child welfare services.

Your Committee notes that S.B. No. 166 and S.B. No. 1235 are similar in intent and structure. After consideration of both bills, the Committee prefers S.B. No. 166, as amended, because it focuses on federal resources which are already known to be available and because the unit is established within the department which has the most knowledge of the program area.

Your Committee received supporting testimony from the Department of Human Services, Child and Family Service, Child Welfare Services, and the Hawaii Government Employees Association.

On recommendation of the Department of Human Services, your Committee has amended this bill by deleting the provisions in the new section requiring the interagency resource development unit to conduct intake services, pool resources, and monitor federal compliance, for the reason that these functions are not appropriate to the unit and should remain with social workers and program administrators to prevent fragmentation of responsibilities and authority.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 166, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 70 Human Services on S.B. No. 385**

The purpose of this bill is to redefine public assistance obtained by fraud as theft under the Hawaii penal code.

Your Committee finds that while a person may commit several acts of fraud in obtaining public assistance, current law classifies such acts as misdemeanors regardless of the dollar amount involved. Your Committee further finds that if a person consistently commits acts of welfare fraud in which significant dollar amounts are received from such acts, they should be held accountable in the same manner as others accused of thefts involving similar dollar amounts.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 385 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 71 Human Services on S.B. No. 469**

The purpose of this bill is to make an appropriation from the state general funds to assist in establishing the Maui Food Bank, Inc. as an independent organization.

Your Committee finds that the Maui Branch of the Hawaii Food Bank was closed in September 1994, due to a gap in funding on Oahu. The Maui Food Bank, however, continued to operate a food distribution warehouse and a direct service hot meal and emergency food box program.

Your Committee heard overwhelming testimony submitted in favor and in support of granting assistance to establish the Maui Food Bank Inc. Many testified of their appreciation and support of the program, and the positive impact it has had on individual lives as well as the communities.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 469 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 72 Human Services on S.B. No. 472**

The purpose of this bill is to make an appropriation from the general revenues of the State of Hawaii to establish the Kauai Foodbank, Inc. as an independent organization.

Your Committee finds that the Kauai branch of Hawaii Food Bank was closed abruptly in September of 1994 due to a gap in funding on Oahu. Despite the funding setback the Kauai foodbank has continued to operate through neighborhood pantries, nonprofit agencies, and volunteers. The requested financial assistance will help to establish the Kauai Foodbank Inc. as an independent organization.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 73 Human Services on S.B. No. 967**

The purpose of this bill is to appropriate funds to establish a statewide community college training program for family caregivers.

This proposed program would also include providing day care services for the elderly while their caregivers attend training sessions and hands-on demonstrations.

The Office of Community Services of the Kapiolani Community College has already established a tested curriculum on training for caregivers, entitled "Family Caregiver Training Program." This bill would allow that program to be expanded into the various community colleges on the neighbor islands.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 74 Human Services on S.B. No. 1032**

The purpose of this bill is to appropriate funds for child day care services for children with developmental disabilities.

This bill would restore funding which was previously diverted to meet federal matching requirements for one of the federal block grants administered by the Department of Human Services, according to the State Planning Council on Developmental Disabilities. The funds were to be used to service preschool children of low-income families.

Your Committee believes that early intervention services help reduce the probability of children with developmental delays of having developmental disabilities in the future.

Your Committee has amended this bill by deleting "disabilities" and inserting "delays" in its place and by changing the appropriation amount to \$458,000.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1032, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 75 Human Services on S.B. No. 1080**

The purpose of this bill is to appropriate funds for the Executive Office on Aging for county agencies to provide grants for the expansion of respite care services to the elderly.

Your Committee finds that respite care services provide much needed temporary relief for caregivers for the elderly. Respite care is a cost-effective, community-based alternative to institutionalization that enhances family support and encourages living at home for disabled elders.

Your Committee has amended this bill by providing that the funds be used for purchase of service contracts instead of grants.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1080, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 76 Human Services on S.B. No. 1173**

The purpose of this bill is to appropriate funds for the Waimano Training School and Hospital as the State's share for obtaining Medicaid funds.

The bill appropriates the sum of \$4,011,422 for fiscal year 1995-1996 and an unspecified amount for fiscal year 1996-1997 to match Title XIX waived community-based services for Waimano residents and persons with developmental disabilities residing in the community.

Your Committee finds that this appropriation will assist the Department of Human Services and the Department of Health to fully participate in federal financing of services to persons with developmental disabilities.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 77 Human Services on S.B. No. 1244**

The purpose of this bill, as received by your Committee, is to establish a permanent tax upon nursing facilities to be imposed by the department of human services.

Your Committee finds that this temporary nursing facility tax was imposed to provide additional revenues to finance the state portion of the Medicaid program until such time as alternative long-term care financing mechanisms are implemented. Your Committee further finds that the ability of the nursing facilities to provide essential services is dependent upon their receiving adequate reimbursement for such services, and this tax provides an additional source of revenue until such time as Medicaid rates can be adjusted and other methods of financing are implemented.

Testimony in support of this measure was submitted by the department of health, department of human services, the Hawaii long term care association, healthcare association of Hawaii, and numerous long-term care facility operators. Testimony in opposition was submitted on behalf of private pay individuals receiving nursing facility care.

Upon further consideration of the testimony, your Committee is concerned that the federal reimbursements which are received as a result of state revenues which are generated by this tax are not being passed onto the nursing facility operators, and thus your Committee has amended this measure by:

- (1) Extending the repeal date for the tax to July 1, 1997, rather than making it a permanent tax; and
- (2) Requiring the department to make use of the federal matching funds resulting from the state tax to reimburse Medicaid providers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 78 Human Services on S.B. No. 1323**

The purpose of this bill is to make several appropriations to match federal funds for various programs relating to vocational rehabilitation and to restore several positions in the Division of Vocational Rehabilitation in the Department of Human Services.

The bill also includes an appropriation of \$19,890 to purchase a motor vehicle for use by vocational rehabilitation counselors on the island of Hawaii.

Your Committee finds that these appropriations are reasonable and necessary for the effective operations of the Division of Vocational Rehabilitation and for maximizing federal reimbursement for vocational rehabilitation services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1323 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 79 Human Services on S.B. No. 1685**

The purpose of this bill is to extend the sunset date for the non-Medicaid personal care program to June 30, 1997.

Your Committee finds that the non-Medicaid personal care program enables certain disabled, chronically ill, and frail elders who are not eligible for Medicaid to receive certain health care services based on a sliding scale. Your Committee further finds that this program provides an alternative to more costly institutional care and allows these individuals to continue to reside in the community.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1685 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 80 Human Services on S.B. No. 1683**

The purpose of this bill is to amend the requirements for receiving general assistance for disabled persons with a mental impairment.

Specifically, this bill repeals the requirement that the Department of Human Services accept applications from psychiatrists and psychologists to conduct examinations for mental impairment, to be assigned cases on a rotating basis; repeals the requirement that the patient enter into out-patient treatment with the psychiatrist, psychologist, or mental health clinic of the person's choice; repeals the provision that the professional who made the determination of mental impairment is ineligible to provide the treatment or care, except in exceptional situations where professionals are in short supply; inserts a requirement that when a determination of physical impairment is made, the person shall accept and pursue medical treatment; and inserts a requirement that a person physically impaired be reevaluated at least annually as required for a mentally impaired person.

Your Committee received supporting testimony from the Department of Human Services for this administration proposal.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 81 Human Services on S.B. No. 1684**

The purpose of this bill is to authorize the Department of Human Services to establish a lien against real property, excluding the home, of a public assistance recipient for the amount of overpayment of benefits.

Under current law, only "future grants of assistance" become a lien. This bill deletes that and inserts "the overpaid amount." Your Committee finds that this is a more effective and logical manner in which to collect for overpayments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1684 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 82 Human Services on S.B. No. 1689**

The purpose of this bill is remove the Statewide Council on Independent Living from the Department of Human Services and to establish it as an agency for a special purpose.

This bill would meet the requirements of the 1992 and 1993 amendments to the Federal Rehabilitation Act of 1973, mandating that the Council not be an entity within a state agency. Your Committee finds that this bill would assure continued federal funding for independent living programs in the State. These programs provide services to individuals with severe disabilities to enable them to continue living independently in their family and community.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1689 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 83      Human Services on S.B. No. 1714**

The purpose of this bill is to implement certain group health insurance and Medicaid program requirements mandated by federal law.

Your Committee finds that the federal Omnibus Budget Reconciliation Act (OBRA) of 1993 mandated states to amend state insurance laws to prohibit insurers from denying coverage for children either because of a parents' Medicaid eligibility or because the child has been placed for adoption. Your Committee further finds that these federal mandates must be enacted into state law in order for the State to continue to receive federal funding.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1714 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 84      Tourism and Recreation on S.B. No. 368**

The purpose of this bill is to establish standard requirements for visitor industry marketing and promotion contracts, prohibit the expenditure of state funds to support the administration of such contracts, and clarify the contents of the Office of Tourism annual report.

Your Committee is in agreement with testimony received from the Department of Business, Economic Development, and Tourism and the Hawaii Visitors Bureau which supported this bill. Your Committee finds the proposed language would preclude the use of state funds by any organization contracted for tourism, marketing, and promotion activities for salaries and related administrative expenses. The costs associated with administering the contracts should be borne by the private sector.

Supporters of this bill were in agreement with the general principle that costs associated with administering these contracts should be borne by private sector funds, but also testified that an incremental approach or reasonable time period should be given to phase this into effect.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 368 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Liu).

#### **SCRep. 85      Tourism and Recreation on S.B. No. 889**

The purpose of this bill is to develop a statewide plan for sport events, activities, and promotion, and to develop sports facilities within the State. These functions would be carried out by a sports events and facilities authority, which would replace the stadium authority under current law, within the department of accounting and general services.

In addition to the powers exercised by the stadium authority under current law, the sports events and facilities authority would have the power under this bill to sue and be sued; direct or otherwise enter into construction projects; acquire property; and provide advisory services and technical assistance in order to carry out the purposes of the bill. The duties of the new authority would include developing a long term master sports plan; streamlining the sports permit process; coordinating major sports events bids for the State; developing and coordinating media and public relations resources; promoting recurring sports events; advising on financing methods; and planning and developing state sports facilities. In addition, the stadium special fund would be renamed to the sports events and facilities special fund, and moneys from the fund would be permitted to be used for promotional expenses and the operation of any other facility (in addition to aloha stadium) under the authority's jurisdiction.

After due consideration, your Committee has amended this bill by:

- (1) Deleting all references to the sports events and facilities authority and retaining references to the stadium authority;
- (2) Deleting the provision dealing with the development of a statewide plan;

- (3) Deleting the provision amending the title of chapter 109, Hawaii Revised Statutes;
- (4) Deleting language expanding the purpose of the authority and language providing for the appointment of a chief executive officer;
- (5) Clarifying that the stadium authority shall maintain, operate, and manage the aloha stadium and related facilities;
- (6) Providing for salary parameters for the manager and deputy manager;
- (7) Providing that the manager, subject to the approval of the authority, shall have power to appoint a secretary who shall be exempt from the requirements of chapters 76, 77, and 89, Hawaii Revised Statutes;
- (8) Deleting the expanded powers and duties of the authority;
- (9) Deleting references to the sports events and facilities special fund, retaining the stadium special fund under current law, and providing that moneys deposited therein may include all promotional, marketing, and contractual funds appropriated by the legislature for any event that is held at the stadium;
- (10) Deleting the provision that the fund may be used for management of any other facility under the authority's jurisdiction;
- (11) Providing that the department of accounting and general services, rather than the sport facilities authority, shall expend all funds appropriated under the bill;
- (12) Adding language providing for the transfer of rights, powers, functions, and duties relating to the promotion and marketing of events held at aloha stadium from the department of planning, economic development, and tourism to the stadium authority; and
- (13) Providing language requesting the auditor to conduct a feasibility study, and report to the legislature prior to the convening of the 1996 regular session, with respect to placing all other sports promotion activities performed by the department under the authority.

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

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 889, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Liu).

#### **SCRep. 86      Tourism and Recreation on S.B. No. 1210**

The purpose of this bill is to appropriate general funds to be matched on a dollar-for-dollar basis by the county of Kauai and private sources for the pre-planning of the 1996 United States Amateur Public Links Championship.

Your Committee finds that the 1996 U.S. Amateur Public Links Championship has a prestigious sixty-nine year history, and for an unprecedented third time, Wailua Municipal Golf Course has been chosen to host the event. Your Committee further finds that this event attracts spectators from throughout the country and will provide an added economic boost to the recovering economy of Kauai county.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1210 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Liu).

#### **SCRep. 87      Tourism and Recreation on S.B. No. 1871**

The purpose of this bill is to appropriate funds to support four existing televised golf tournaments held in Hawaii.

Your Committee finds that the Senior Skins, the Hawaiian Open, the Lincoln Mercury Kapalua International, and the Kaaanapali Classic are broadcast to national and international audiences of approximately one hundred million people. Your Committee further finds that this expenditure of public funds is leveraged by private sector funds and results in a substantial return on investment through the visitors who come to Hawaii for golf and other recreational pursuits.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1871 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 88      Tourism and Recreation on S.B. No. 1930**

The purpose of this bill is to appropriate general revenues for the preparation of an environmental impact statement related to the Ala Wai Canal Improvement Project.

Your Committee finds that the Ala Wai Canal has served to keep the floodwaters, downstream refuse, and silt from Waikiki area beaches and preserve them for the enjoyment of our visitors and residents alike. Your Committee further finds that concomitant with the development of the convention center, it is now necessary to remove built-up sediment from the canal to improve its function and to make it more aesthetically pleasing for visitors to the convention center and for residents who live in the area or use the canal for recreation.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 89      Transportation and Government Affairs on S.B. No. 1509**

The purpose of this bill is to require that the Office of Veterans Services inspect, at least twice a year, all state war memorials and veterans' cemeteries for repair and maintenance deficiencies and report them to the Adjutant General and the Comptroller.

The Office of Veterans Services testified in support of the bill as did the Department of Accounting and General Services. Your Committee believes that the State has an obligation to maintain its war memorials and veterans' cemeteries; however, your Committee has amended the bill to require annual inspections and that the report be provided to the Legislature as well as the Adjutant General and the Comptroller.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1509, as amended herein, and recommends that it pass Second Reading in the form attached hereto[A as S.B. No. 1509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 90      Judiciary on S.B. No. 493**

The purpose of the bill is to establish an electronic prescription accountability system that will improve the State's ability to stop the illegal diversion of prescription drugs.

Your Committee finds that, nationally, several hundred million doses of controlled substance prescription drugs are diverted to illicit use from the more than 1.5 billion prescriptions dispensed annually. According to the drug enforcement administration, the illegal diversion of legal controlled substances constitutes a \$25,000,000,000 a year market.

Your Committee, in considering a monitoring system that would curtail this illegal diversion, also recognizes that the system must not unduly burden prescribing physicians and must protect the confidentiality of patients. Your Committee finds that, by establishing an electronic prescription accountability system, the State will be able to satisfy these concerns while monitoring the prescription and use of controlled substances.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 493 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 91      Judiciary on S.B. No. 1693**

The purpose of the bill, as received by your Committee, is to provide the chief election officers and clerks with the discretion to conduct elections solely by absentee ballot in specified precincts, districts and counties.

Your Committee understands that the flexibility to conduct elections solely by absentee ballot in specific areas could substantially improve access for some residents to the electoral process, and would reduce the cost of conducting the elections. Your Committee finds that, in the twelve states that have laws permitting mail-only elections, such elections are reported to have increased participation and reduced costs.

Your Committee amended the bill to include the recommendation by the league of women voters of Honolulu. The amendment limits the scope of the chief election officers' and clerks' discretion, allowing such discretion only in the event of unsafe conditions such as hurricanes as experienced on Kauai in 1992. Your Committee believes that the original intent of the bill to additionally grant mail-only elections in precincts of less than 100 registered voters, should be deferred until further information is obtained from voters in such areas. Your Committee finds that in-person voting has some advantages and that voters, no matter how small the precinct may be, may still prefer to exercise their right to vote in person.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1693 S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 92 Human Services on S.B. No. 68**

The purpose of this bill, as received, is to require a state civil identification certificate for redemption of food stamp vouchers.

The purpose of this bill, as amended, is to appropriate funds for the Department of Human Services to conduct a feasibility study on the implementation of an electronic benefits transfer system for payment of certain public assistance benefits.

The objectives of an electronic benefits transfer system are to reduce fraud, improve services to clients, and improve overall efficiency of the delivery of public assistance.

Your Committee finds the federal government may mandate every state to have a system of electronic benefit transfer. Thirty-five other states have successfully implemented a system. Your Committee believes that it is prudent to be ahead of the federal government as to federally mandated programs.

Your Committee has amended this bill accordingly and has left the appropriation amount unspecified in deference to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 68, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 68, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 93 Human Services on S.B. No. 153**

The purpose of this bill is to amend the maximum payment allowable to licensed cemetery service providers for publicly-assisted mortuary, crematory, and cemetery services.

Your Committee finds that the existing law allows the Department of Human Services (Department) to pay up to \$400 for mortuary and crematory services, and up to \$400 for cemetery services for deceased public assistance recipients or unclaimed corpses.

Your Committee also finds that the \$400 amount was established in 1970 and has not been amended since, even though inflation has risen significantly over the past twenty-five years. Statistics also indicate that in the past three years, over one thousand applications per year have been approved by the Department for publicly-assisted mortuary, crematory, and cemetery services.

Although your Committee received testimony from the Hawaii Funeral Directors Association requesting that the statutory amount be adjusted to \$800, your Committee believes that such an adjustment would be more appropriately made by your Committee on Ways and Means.

Your Committee has amended this bill by adding a purpose section to state past statistics on the number of eligible burials.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 153, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 94 Human Services on S.B. No. 1269**

The purpose of this bill is to appropriate funds to establish a minimum security experiential program for youth committed by the family court to the Office of Youth Services.

This bill requires the Office of Youth Services to establish a forestry camp in an isolated rural location on Molokai. The camp will house fifteen to twenty youths committed by the family court to the Office. The program will include academics and forestry conservation. The length will be three to six months. Upon completion, the youths will enter a journey program, a rite of passage program of five days. After that, they will be returned home, to be guided and tracked for six months.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1269, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 95 Economic Development on S.B. No. 403**

The purpose of this bill is to require the State to deposit all royalties from geothermal energy into an asset fund established by the county.

The County of Hawaii submitted testimony in support of the bill, stating that the increase in royalty funds to the County is justified since the County has borne a significant amount of extra expense in handling certain events that have come with geothermal development.

The Department of Land and Natural Resources (DLNR) and the Office of Hawaii Affairs (OHA) provided testimony in opposition of the bill. Both agencies expressed their need for the revenue that is derived from geothermal activities through royalties.

Your Committee has attempted to address the concerns of DLNR and OHA by amending the bill to amend HRS section 182-7 by changing the amount of royalties given from the State to the county from thirty to forty per cent.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 403, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 96 Economic Development on S.B. No. 594**

The purpose of this bill is to fund a geothermal compliance coordinator position for the county of Hawaii.

Advocates of the bill stressed that the coordinator position is not only necessary to enable the monitoring and enforcement of geothermal activities, but also plays a vital role in development of geothermal energy in Hawaii.

In December, 1994, the geothermal compliance coordinator position was discontinued due to lack of funding. The county pointed out the great importance of the position, but with the county's share of the geothermal royalties being exhausted for resident relocation expenses, the county has no money available to fund the geothermal compliance coordinator position.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 594 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 97 Economic Development on S.B. No. 1361**

The purpose of this bill is to make an appropriation for the development of a commercial remote sensing industry in Kamuela, Hawaii.

Your Committee is in agreement with testimony in support of this bill and finds that high technology industries have the potential of bringing enormous economic and social benefits into rural areas. Remote sensing is one of the few expanding technology niches in the world today with a market defined at approximately \$1.2 billion annually and expected to exceed \$20 billion by the year 2005 according to NASA's Stennis Laboratory.

The Big Island is an ideal location to develop and operate this business because demonstration projects and practical applications can be done due to the wide variety of terrain, vegetation, weather, and ocean environments. This would also help establish Hawaii as an international training center for remote sensing applications, and provide educational opportunities for Hawaii residents as well as the Pacific region.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 98 Ecology and Environmental Protection on S.B. No. 1204**

The purpose of this bill is to restore the position of deputy director for environmental health within DOH, which was cut in the last legislative session.

Your Committee finds that Act 223, Session Laws of Hawaii 1994, eliminated the position of deputy director of health for environmental health. The elimination of the position was based on separate legislation which was to have created a separate department of environment. That legislation did not pass. Although the intent was to transfer the deputy from one department to another, the elimination of the deputy director for environmental health has resulted in the duties and responsibilities of the deputy director being neglected or given cursory attention as a part-time duty of the director.

Your Committee further finds that due to the complex nature of environmental considerations, they should be given the full-time attention of a deputy director.

Your Committee received favorable testimony on this measure from the Department of Health, the Office of Environmental Quality Control, and Hawaiian Electric Company, Inc.

Your Committee has amended this bill to simplify the restoration of the deputy director of environmental health, at the suggestion of the department, by eliminating the deputy director of administration, to be replaced by the deputy director of environmental health.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SCRep. 99 Ecology and Environmental Protection on S.B. No. 1305**

The purpose of this bill is to grant the director of health authority to issue an emergency order without the governor's approval when imminent peril to public health and safety is or will be caused by the release or discharge of environmental pollutants.

Your Committee finds that the proposed amendments to chapter 342, Hawaii Revised Statutes, would no longer require the governor's approval for issuance of emergency orders, thus eliminating the waiting process and allowing the department to take immediate action to reduce or stop environmental pollution which could effect the health and safety of the public. Many of the consequences of improper management of solid and hazardous wastes and their resulting impacts on our ground and surface waters pose serious threats to the public's health and safety, and require an immediate response from the department.

Your Committee finds that authorizing the director to issue an emergency order without the governor's approval will eliminate the waiting process and allow a more immediate response to situations that may threaten public safety and health.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1305 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SCRep. 100 Hawaiian Affairs on S.B. No. 109**

The purpose of this bill to appropriate funds to the department of Hawaiian home lands for the development of an incremental plan to place qualified native Hawaiians on Hawaiian home lands. The bill also authorizes the issuance of general obligation bonds for the department of Hawaiian home lands for infrastructure improvements on Hawaiian home lands.

Under the Hawaiian Homes Commission Act, the State of Hawaii has a responsibility to appropriate funds for the department of Hawaiian home lands (DHHL) to administer Hawaiian home lands to native Hawaiian beneficiary applicants. DHHL cannot accommodate the growing number of native Hawaiian applicants for lands entitled to them under the Act, without the sufficient funding necessary for infrastructure, development, and preparation of those lands.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 109 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Grauly).

**SCRep. 101 Hawaiian Affairs on S.B. No. 583**

The purpose of this bill is to appropriate funds for infrastructure of the Maku'u project on the island of Hawaii.

The funds will provide a water system for seventy-eight lots of the Maku'u Farm Lot subdivision, and as a result, those Hawaiian home lands lots can meet subdivision approval and be awarded to grantees.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 583, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 583, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 102 Hawaiian Affairs on S.B. No. 775**

The purpose of this bill is to classify members of the board of trustees of the office of Hawaiian affairs as elected officials and employees of the State of Hawaii for pension and retirement purposes.

Your committee finds that as "elective officers," Legislators are provided with an option of electing to be members of the State Retirement System pursuant to section 88-43, Hawaii Revised Statutes. By designating the trustees of the office of Hawaiian affairs, employees, as well as elected officials, they will be able to receive the same option.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee 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 Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 103 Hawaiian Affairs on S.B. No. 776**

The purpose of this bill is to require both the office of Hawaiian affairs and the State to share equally in the costs of salaries and benefits of the members of the board of trustees' of the office of Hawaiian affairs.

Section 4 of Act 358, Session Laws of Hawaii 1993, indicates legislative intent that salaries would be paid on a matching basis from the general revenues of the State of Hawaii and OHA's trust funds. As the statute is written, however, the annual salary for trustees is to be paid exclusively from revenue generated by the public land trust pursuant to section 10-9, Hawaii Revised Statutes. This bill addresses this technical inconsistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 776 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 104 Hawaiian Affairs on S.B. No. 778**

The purpose of this bill is to repeal the provision requiring the legislature to appropriate any matching special fund appropriations of the office of Hawaiian affairs.

The office of Hawaiian affairs (OHA) is held solely liable for actions involving the public land trust. Yet, at present, the Legislature has the power under law to appropriate OHA's portion of the public land trust. This bill is part of a package of housekeeping measures to clarify the use of revenue received by the office of Hawaiian affairs from funds designated as trust funds and to specify all powers, duties, and responsibilities of the office of Hawaiian affairs regarding those funds.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 778 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 105 Hawaiian Affairs on S.B. No. 828**

The purpose of this bill is to allow the office of Hawaiian affairs to establish a successor determination program that would provide services for those with an interest in homestead leases to determine their legal claim in a 999-year homestead lease.

The inability of lessee families to determine who the rightful successors are to a 999-year homestead lease has brought tremendous conflict and problems within some families. There also exists confusion as to how the descent scheme works and the loss of an accurate record and documentation of original lessees. The inability to determine successorship prevents a rightful successor from purchasing the lease. The successor determination program under this bill will be a less costly and friendlier alternative to probate court for native Hawaiian families seeking an interest in a 999-year homestead lease.

Your committee has made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee 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 Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 106 Hawaiian Affairs on S.B. No. 926**

The purpose of this bill is to allow financial services loan companies to charge nonrefundable discount, points, loan fees, and loan origination charges, on consumer loans made to a lessee of land subject to the Hawaiian Homes Commission Act.

Under the Hawaiian Homes Commission Act, a loan on a lessee's leasehold interest is permitted only through those few lenders who are insured by Farmers Home Administration, Federal Housing Administration, and the Veterans Administration. Until recently, those lenders have provided only permanent long-term loans, and no financing for construction or home improvement loans were available. One or two of those lenders are now offering construction and home improvement loans to lessees, on which they charge points.

Financial services loan companies are interested in making unsecured and home equity loans to Hawaiian home lands lessees but they find it uneconomical to provide these loans because points cannot be charged pursuant to section 412:9-304(4)(B), Hawaii Revised Statutes. The bill provides a means to enable these financial institutions to extend credit to homestead lessees.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 926 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 107 Transportation and Government Affairs on S.B. No. 1559**

The purpose of this bill is to amend the motor vehicle licensing law to make registration more efficient. In particular the bill:

- (1) Requires that taxes which fall due on a Saturday, Sunday, or legal holiday be payable on the next business day;
- (2) Permits the director of finance to enter into a contract for the registration of motor vehicles;
- (3) Increases the fee for entries to the tax lien and encumbrance record from \$.50 to \$5;
- (4) Eliminates payment of outstanding citations as a condition for registration, and other provisions requiring the payment of fines as a condition for registration; and
- (5) Repeals law providing refunds of taxes for junked, stored, or stolen vehicles and vehicles that have been removed from the State.

This is a City and County of Honolulu measure. The Hawaii Government Employees Association raised concerns over the privatization of motor vehicle registration.

Your Committee has amended the bill to make clear that contracts for registration will be made with dealers for the sale of new vehicles only.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1559, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 108 Transportation and Government Affairs on S.B. No. 1560**

The purpose of this bill is to restrict the transfer of certain classes of liquor licenses for a one year period following issuance by requiring a good cause showing. The bill further requires that renewal of licenses can be denied if there is criminal activity occurring in or about the premises.

Favorable testimony was received from the downtown neighborhood board which was concerned by criminal activities near the licensed premises. Opposition was received from the liquor control authorities for the counties of Maui, Hawaii, and Honolulu, from the Maui Hotel Association, and from the Retail Liquor Dealers/Liquor Dispensers of Hawaii. Testimony in opposition noted that the restrictions on transfer adversely affected the value of the businesses, and were anti-business. Further, the licensees were not responsible for crime occurring off their premises and should not be denied license renewal for something beyond their control.

The City and County of Honolulu suggested amendments intended to address the concerns raised by the neighborhood board. Your Committee has amended the bill accordingly.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1560, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 109 Transportation and Government Affairs on S.B. No. 1597**

The purpose of this bill is to provide that law enforcement for airports and airport parking facilities shall be under the jurisdiction of the Department of Transportation.

This is an administration measure submitted by the Department of Transportation. Testimony by the Department indicated that the Federal Aviation Administration requires that the responsibility for airport security be with the Department which operates the airports. Pursuant to Act 338, Session Laws of Hawaii 1987, the responsibility for airport security, which had historically been with the Department of Transportation, was transferred to the newly created Department of Public Safety. The bill is necessary to comply with FAA requirements.

Your Committee has made a minor technical amendment for purposes of style only.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1597, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 110 Transportation and Government Affairs on S.B. No. 1598**

The purpose of this bill is to allow the Department of Transportation to dispose of as junk, sell by negotiation, or donate to other governmental agencies vessels which are impounded under section 266-27, Hawaii Revised Statutes, and which they are unable to sell through public auction.

This is an administration measure submitted by the Department of Transportation. Currently, the Department is authorized to impound vessels moored in any state commercial harbor without a valid use permit. Vessels which remain unclaimed for more than thirty days are subject to sale by the Department at public auction. There is no provision authorizing the disposal of vessels which the Department is unable to sell at public auction.

Your Committee has made a stylistic change of a nonsubstantive nature.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1598, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 111 Transportation and Government Affairs on S.B. No. 1599**

The purpose of this bill is to conform Hawaii's commercial driver's licensing law with federal standards, and to ensure that the State does not lose a significant amount of federal highways funds. In particular the bill, among other things:

- (1) Provides that a person who is not physically qualified to drive under 49 Code of Federal Regulations may be granted an intrastate waiver as provided by the Code;
- (2) Eliminates the limitation on the renewal of commercial drivers instruction permits;
- (3) Eliminates the expiration of license on the second birthday of the licensee following the issuance of the license if the licensee is 21 to 24 years of age;
- (4) Amends the disqualification provision for licensees convicted of certain enumerated violations; and
- (5) Amends provisions relating to the suspension, revocation, or cancellation of licenses and permits.

This is an administration measure submitted by the Department of Transportation. Testimony by the Hawaii Transportation Association indicated concern that a driver not be found to be in violation if, acting pursuant to the order of legitimate authority, the driver moved a vehicle when an out-of-service order exists with respect to the vehicle or the driver.

Your Committee has amended the bill to address the concern raised by the HTA and to make minor technical amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1599, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 112 Transportation and Government Affairs on S.B. No. 1601**

The purpose of this bill is to authorize the Department of Transportation to develop, promote, and coordinate transportation demand management programs, including telecommuting and pedestrian programs, and to make housekeeping amendments to section 26-19, Hawaii Revised Statutes.

This is an administration measure submitted by the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1601 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 113 Transportation and Government Affairs on S.B. No. 1602**

The purpose of this bill is to authorize a criminal history check of all persons hired to provide security at airports within the State and to require that such persons consent to a criminal history check by the Federal Bureau of Investigation.

This is an administration measure submitted by the Department of Transportation. Testimony by the Department indicated that the Federal Aviation Administration requires the Department to provide armed security at airports. Federal law precludes any one convicted of a felony from carrying a firearm. Currently, the criminal history records check by the Hawaii Criminal Justice Data Center indicates only local convictions. The Federal Bureau of Investigation can provide checks with respect to mainland records. These checks would be paid for by the security companies.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1602 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 114 Transportation and Government Affairs on S.B. No. 1634**

The purpose of this bill is to authorize the State Department of Defense to receive and use gifts of money, property, or services of any kind for any purpose authorized under the Hawaii National Guard Youth Challenge Program.

This is an administration measure submitted by the State Department of Defense. The bill provides among other things that:

- (1) All moneys will be deposited by the Director of Finance into a special fund;
- (2) All expenditures shall be subject to approval by the Director of Defense;
- (3) The Department shall be responsible for the maintenance and use of all gifts of property and services;
- (4) Donees shall not be liable with respect to their gifts; and
- (5) The Department shall keep records of all gifts and report annually to the legislature.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1634 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 115 Judiciary on S.B. No. 1771**

The purpose of the bill is to streamline the enforcement of child support orders.

Testimony in support of the bill was submitted by the attorney general who indicated that this was a housekeeping measure to clarify Hawaii's laws regarding child support orders and to conform them with current federal regulations.

Your Committee finds that the current language in chapter 571, Hawaii Revised Statutes, is ambiguous on two points regarding copies of income assignment orders: whether copies must be certified and who has certifying authority over

them. The bill resolves the issue by providing that copies of income assignment orders may be certified and by permitting both CSEA and the court to certify them. The bill also establishes that a withholding order for the payment of child support has priority over any other order and requires employers to implement withholding of income upon being served a copy of the order certified by either the court or CSEA.

Your Committee finds that these provisions will facilitate the enforcement of child support payments. Furthermore, your Committee recognizes that federal regulations require that the income withholding order for the payment of child support has priority over any other such order. Otherwise, Hawaii's ability to obtain federal State plan approval and funding may be jeopardized.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1771 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

#### **SCRep. 116 Education on S.B. No. 414**

The purpose of this bill is to provide indemnity from liability for parent, teacher, and student volunteers participating in a parent-teacher association function at a public school.

Your Committee finds that the parent-teacher-student associations provide myriad volunteers at a variety of functions in support of our public schools. Your Committee further finds that these volunteers should be provided indemnity from liability similarly to volunteers who assist other state agencies. Your Committee, however, also recognizes the potential impact of the measure upon the state general fund, as well as the legal issues concerning gross negligence and punitive damages, and defers further deliberation to the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 414 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 117 Communications and Public Utilities on S.B. No. 1275**

The purpose of this bill is to create the Hawaii Information Congress '95 Task Force, for the purpose of recommending steps to be taken to facilitate and accelerate the deployment of Hawaii's "Information Superhighway." The task force will consist of fifteen members representing business, higher and lower education, healthcare, libraries, government services, the visitor industry, nonprofit organizations, and the media.

This bill is the result of the collaborative efforts of participants of the Hawaii Information Congress '95 which was convened on January 15, 1995, to identify and compile information concerning end-user needs and to build broad-based support for initiatives that will move Hawaii forward in the areas of telecommunications and information services.

After due consideration, your Committee has amended this bill by:

- (1) Changing the task force membership from fifteen to twenty-five, and by adding to the list of representative groups the telecommunications industry, state regulatory agencies, community networking groups, senior citizen organizations, the disabled community, and low-income telephone users;
- (2) Deleting the provision requiring the task force to be appointed by the legislature, and instead providing that twelve members shall be appointed by the president of the senate, twelve members shall be appointed by the speaker of the house of representatives, and the remaining member shall be appointed by the majority vote of the twenty-four original members; and
- (3) Providing that an unspecified sum is appropriated out of the public utilities commission special fund for fiscal year 1995-1996 to cover administrative costs of the task force, and by providing that the sum appropriated shall be expended by the public utilities commission for such purpose.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1275, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Liu).

#### **SCRep. 118 Agriculture, Labor, and Employment on S.B. No. 1596**

The purpose of this bill is to make an emergency appropriation for the state workers' compensation fund.

A critical funding emergency exists. The state workers' compensation fund will be exhausted by February 26, 1995. Your Committee finds that without this appropriation, the Department of Human Resources Development will be unable to meet its fiscal obligations to provide for the health and safety of state employees.

Your Committee has made several technical, nonsubstantive amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 119 Higher Education, Culture, and Arts on S.B. No. 639**

The purpose of this short form bill is to amend the Hawaii Revised Statutes relating to historic preservation.

Your Committee has amended the bill by inserting a provision that permits determinations made by the department of land and natural resources pursuant to sections 6E-8 (review of effect of proposed state projects) and 6E-42 (review of proposed projects), Hawaii Revised Statutes (HRS), to be administratively appealed to the Hawaii historic places review board as a contested case pursuant to chapter 91 (administrative procedure), HRS.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the action to report out 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 recommitted to the Committee on Higher Education, Culture, and Arts for further consideration.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, Iwase).

**SCRep. 120 Higher Education, Culture, and Arts on S.B. No. 715**

The purpose of this bill is to add a provision that programs covered under the community college conference center revolving fund include noncredit conferences, seminars, courses, and activities conducted by the community services programs of the community colleges.

Your Committee finds that this bill will specifically provide for honoraria for speakers, hotel and room rentals, food and refreshment, airfare and per diem, rental of audio-visual equipment, and other supplies and equipment for these noncredit community college programs.

Your Committee has made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 121 Higher Education, Culture, and Arts on S.B. No. 987**

The purpose of this bill is to repeal the sunset dates for certain University of Hawaii budget flexibility provisions.

Your Committee finds that Act 281, Session Laws of Hawaii 1994, extends for an additional two fiscal years certain budget flexibility provisions under which the University of Hawaii has been operating since 1986. Your Committee further finds that Act 281 made additional amendments affecting the university's budget system which are intended to work in concert with the flexibility provisions. However, your Committee notes that the two-year extension provided in Act 281 does not provide sufficient time for all of the provisions to be properly integrated, and therefore this measure is necessary to give the university the opportunity to establish this integrated budget system.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 987 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 122 Higher Education, Culture, and Arts on S.B. No. 1001**

The purpose of the bill is to repeal the provision requiring the legislature to set the salary of the president of the University of Hawaii effective July 1, 1998.

Your Committee finds that the Board of Regents of the University of Hawaii needs the authority to set the conditions of employment, including the annual compensation for the President of the University, in order to appoint and retain an individual that would be able to carry out the Board's policies. The policies authorized and established by the Board are executed by the office of the President and its administrative team.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts, that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1001 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 123 Higher Education, Culture, and Arts on S.B. No. 1003**

The purpose of this bill is to repeal the provision which limits the ability of the Board of Regents of the University of Hawaii to impose a parking fine of not more than \$25 per violation.

Your Committee finds that the \$25 ceiling established in 1964 is outdated and is not an effective deterrent against violations.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 124 Higher Education, Culture, and Arts on S.B. No. 1004**

The purpose of this bill is to allow the board of regents of the University of Hawaii to develop real property and construct university projects alone or in partnership with qualified developers and contractors.

Specifically the board of regents:

- (1) Shall qualify developers and contractors in accordance with chapter 91, Hawaii Revised Statutes;
- (2) May allow any qualified person to act as both developer and contractor; and
- (3) In such instances, may contract without reference to competitive bidding laws.

This bill clarifies the University's authority to develop real property in partnership with qualified developers and contractors.

Your committee has amended the bill to remove the words "alone or" from line 6 of the bill as received to clarify that the University is authorized to dispense with competitive bidding only where it is involved in a joint development with a private developer or contractor.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1004, S.D. 1, and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 125 Higher Education, Culture, and Arts on S.B. No. 1623**

The purpose of this bill is to establish the University of Hawaii student housing revolving fund. This fund will be used for any purpose deemed necessary to carry out the educational responsibilities, programs, and related activities of the student housing program.

Specifically the funds will be expended for, but not limited to, food and refreshments, flowers, prizes, certificates, plaques and other expenses necessary to carry out student housing's educational responsibilities.

Your Committee finds that the expenditures from this fund would contribute to the quality of the students' university experience and are consistent with the mission and goals of the residential life program.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1623 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 126 Higher Education, Culture, and Arts on S.B. No. 1624**

The purpose of this bill is to increase the interest of loans under the student loan assistance program from three to five per cent. The bill also increases the expenditure of the total amount of loans outstanding for collection and administrative expenses from the state higher education loan fund from one to two per cent.

Your Committee finds that the proposed increase of the interest rate from three to five per cent for loans made under the student loan assistance program is more realistic and is comparable to the other student loan programs supported by the Federal Government.

Your Committee also finds that spending from the state higher education loan fund of up to one per cent of the total amount of loans outstanding for collection and administrative expenses is inadequate to meet increasing annual costs. An increase from one to two per cent will provide the additional funds necessary for the university to meet these expenses.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1624 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 127 Higher Education, Culture, and Arts on S.B. No. 1625**

The purpose of this bill is to exempt collection agencies that enter into a contract with the University of Hawaii from maintaining a regular active business office in the State and to allow the collection of fees or commissions from the debtor.

The University solicits bids from collection agencies both locally and nationally for the collection of delinquent loans. In the past, mainland agencies have been awarded collection contracts as low bidders. Requiring mainland agencies to maintain a business office in the State is uneconomical and burdensome for these companies, and ultimately forces the University to contract with higher bidders.

Your Committee has amended the bill to include the attorney general's amendments for clarity and specificity.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee 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 Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 128 Higher Education, Culture, and Arts on S.B. No. 1626**

The purpose of this bill is to repeal the provision that the deposit of overhead funds to the University of Hawaii housing assistance revolving fund shall be terminated.

The housing assistance revolving fund is used to assist eligible faculty of the university who lack sufficient financial resources to purchase a principal residence. Continuing the deposit of overhead funds into the revolving fund maintains the competitive position of the university in recruitment and retention.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1626 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 129 Higher Education, Culture, and Arts on S.B. No. 1921**

The purpose of this bill is to establish the University of Hawaii at Hilo theatre revolving fund.

Specifically, all admission fees, advertising sales, corporate sponsorships, marketing, merchandising, donations, fund-raising fees, charges, and other moneys collected for the UHH theatre program shall be deposited into the fund, where in turn, the revolving fund shall be used to cover all costs associated with the University of Hawaii at Hilo (UHH) theatre program.

Your Committee finds that UHH Theatre is the major performing arts educational and cultural center on the island of Hawaii. Moneys from the fund would be used for the fiscal activity related to producing and presenting performing arts. The UHH theatre program seeks to exercise its purchasing flexibility to operate the theatre program efficiently, but finds certain restrictions under state law have prevented them from doing so. This bill addresses this issue.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1921 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 130 Health on S.B. No. 457**

The purpose of this bill is to appropriate out of the general revenues of the State the sum of \$1, or so much thereof as may be necessary for fiscal year 1995-1996, to meet the medical needs of the residents of the Waialua region on the north shore of Oahu.

Your Committee finds that the impending shutdown of Waialua Sugar Company in the Waialua region on the north shore of Oahu threatens the availability of medical and emergency services for the residents of that region. Your Committee recognizes that many displaced workers will lose their employer-provided medical insurance benefits and that the emotional strain which results from unemployment and loss of housing may even lead to adverse consequences such as family violence, teenage pregnancy, and homelessness.

Your Committee finds that the state government has a responsibility to assist residents of the Waialua region in this time of immense financial hardship and insecurity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 457 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 131 Health on S.B. No. 978**

The purpose of this bill is to establish the Hawaii health council within the department of health, to ensure a focused, community-wide effort to address health care cost containment in the State.

The creation of the council was recommended by the governor's blue ribbon panel, which was funded by the legislature in 1991 to investigate the financial and economic dynamics of the health care industry in Hawaii and make recommendations to the legislature to ensure continued delivery of quality services throughout the State while developing measures for health care cost containment.

After due consideration, your Committee has amended this bill by:

- (1) Clarifying that the director of health shall represent the council in communications with the governor and with the legislature, but shall not have the power to supervise or control the operations of the council;
- (2) Deleting references to lists of nominees for council membership being provided by the AFL-CIO and the American Association of Retired Persons, and clarifying that the lists of suggested names provided in regard to representatives from the business community shall come from business and trade organizations, and other interested parties;
- (3) Providing that, in addition to the other enumerated requirements, the council membership shall include at least one member from each of the counties of Kauai, Maui, and Hawaii, and the city and county of Honolulu;
- (4) Providing that the council "may", rather than "shall", employ an executive director exempt from civil service, and providing that the executive director and employees of the council shall not be entitled to any benefits allowed state employees;
- (5) Providing that the council, as part of its responsibilities and duties, "may", rather than "shall", encourage health care quality and cost containment through system efficiency, and marketplace and other incentives, rather than regulation;
- (6) Providing that the specific areas of focus of the council "may", rather than "shall", include the listed areas;
- (7) Providing that the Act shall be repealed on July 1, 1997; and
- (8) Making several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 132 Health on S.B. No. 1256**

The purpose of this bill is to permit a nonpatient spouse of a patient resident at a facility exclusively for the care and treatment of persons with Hansen's Disease, to live with the patient at such facility without being required to work at such facility.

After due consideration, your Committee has amended this bill by:

- (1) Clarifying that the nonpatient spouse shall be allowed to live with the patient at the facility, upon the request of the patient;

- (2) Providing that the nonpatient spouse shall not be required to work or volunteer services at the facility in order to live with the patient; and
- (3) Making several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee 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 Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 133 Health on S.B. No. 1327**

The purpose of this bill is to remove the legal impediments to prescribing pain relieving medication for severe or intractable pain.

Specifically, the bill allows authorized medical personnel to prescribe opioids in cases where the patient suffers from severe or intractable pain.

Your Committee finds that chronic, severe, and intractable pain has debilitating effects on both the patient and the patient's family. Unfortunately, current pain relief protocols prescribe medication that patients often build a tolerance to, resulting in a loss of effectiveness as the pain increases.

The use of opioids for relief of severe or intractable pain, which are now permitted under federal regulations, can provide adequate pain control for these patients with little risk of addiction.

Your Committee has amended the bill by:

- (1) Changing the term "severe or intractable pain" to "severe intractable pain";
- (2) Amending the definition of "intractable pain" to allow the use of opioids for relief from intractable pain after reasonable effort has been made to find a cure;
- (3) Deleting the definition for "severe pain"; and
- (4) Making numerous stylistic amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1327, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 134 Transportation and Government Affairs on S.B. No. 808**

The purpose of this bill is to make clear that a veteran who owns a motorcycle, like a veteran who owns a four-wheeled vehicle, is able to acquire, for a fee, a special number plate for the motorcycle.

Director Robert C. Viduya of the Office of Veterans Services, State Department of Defense, offered testimony in support of the bill. Testimony by Russell W. Miyake, Director of Finance for the City and County of Honolulu, indicated that sample plates have been prepared and presented no objection other than to note that present law appears to permit the issuance of such plates. Further testimony indicated concern that the special plates not be issued to commercial vehicles.

Your Committee finds that the bill is necessary to make clear that motorcycles are covered. It is not the Committee's intent that special number plates be issued to commercial vehicles. Minor technical amendments were made to the bill.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 135 Transportation and Government Affairs on S.B. No. 1514**

The purpose of this bill is to allow the counties to impose a general excise and use tax in lieu of their share of revenue under the transient accommodations tax. In particular the bill:

- (1) Amends section 46-16.7, Hawaii Revised Statutes, to repeal references that the tax shall be used to fund a mass transit system, and instead allows the counties to use the tax for any lawful purpose;

- (2) Makes corresponding amendments to the county general excise and use tax credit, the medical services excise tax credit, and the capital goods excise tax credit;
- (3) Amends sections 237-8.5 and 238-2.5, Hawaii Revised Statutes, to leave the rate of the surcharge open, and to amend the effective dates; and
- (4) Repeals subsections (b) and (c) of section 237D-6.5, Hawaii Revised Statutes, relating to the counties' share of revenue under the transient accommodations tax.

Although the state tax department, the Chamber of Commerce, the Maui County Council, and the Tax Foundation of Hawaii testified against the bill, testimony indicated that the counties need to broaden their revenue base. Real property tax revenues have fallen and cannot be expected to meet rising expenditures.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1514 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 136 Transportation and Government Affairs on S.B. No. 1515**

The purpose of this bill is to authorize the counties to create a new sales and use tax in lieu of the sharing of revenues under the transient accommodations tax. In particular the bill provides that:

- (1) The county must implement the tax by ordinance adopted after public hearing;
- (2) The amount of taxes collected are not considered part of the gross proceeds or income of the seller; and
- (3) Section 237D-6.5, Hawaii Revised Statutes, relating to the counties' share of the transient accommodations tax, is repealed.

Your Committee has amended the bill at the suggestion of the tax director by adding new language to chapters 237 and 238, Hawaii Revised Statutes, to make clear that taxes collected under this bill are not part of gross proceeds or gross income and subject to taxation under those chapters.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1515, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1515, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 137 Hawaiian Affairs on S.B. No. 373**

The purpose of this bill is to allow the Kaho'olawe island reserve commission (KIRC) to delegate to the executive director or employees of the commission its powers and duties vested in the commission. The bill also requires the commission to carry out those powers and duties conferred upon the commission on water resource management and the islands burial councils with regard to the proper treatment of burial sites and human skeletal remains found in the island reserve.

This is a housekeeping bill that conforms with the legislative intent of Act 340, Session Laws of Hawaii 1993, which states that the Kaho'olawe island reserve commission shall carry out all powers and duties, pertaining to the Kaho'olawe island reserve, otherwise delegated to the Board of Land and Natural Resources, the Commission on Water Resource Management, and the Island Burial Councils. Giving these powers to KIRC would result in greater efficiency and cost savings to the State for the expeditious cleanup of Kaho'olawe Island.

Your Committee adopted the recommendation of Ka Lahui Hawaii to change the number of members appointed by the Governor to the KIRC from a list provided by native Hawaiian organizations from one member to three members. Your Committee deleted the provision that stated that two members shall be appointed by the governor from a list provided by the Protect Kaho'olawe 'Ohana, and corrected a typographical error.

The purpose of the amendments to the bill is to provide an opportunity for more native Hawaiian organization representatives to serve on the Kaho'olawe island reserve commission.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 373, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Grauly).

#### **SCRep. 138 (Joint) Human Services and Judiciary on S.B. No. 480**

The purpose of this bill is to establish an supplemental security income (SSI) advocacy program for the State of Hawaii and to appropriate \$150,000 for purchase of services to fund the program.

When a person becomes eligible for SSI, the federal government assumes the responsibility to provide monthly support as long as the applicant remains eligible. It is a benefit to the State to have an eligible person served under the federal program because it relieves the State of what would otherwise likely be a general assistance case. The eligible person also receives medical insurance from the federal government through Medicaid.

Your Committees find that fifteen states have SSI advocacy programs that more easily enable eligible individuals to access the social security system.

Your Committees have amended this bill by adding "whichever is less" to Section 3 as to the payment for the purchase of service.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 480, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 480, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Matsunaga, Tam).

**SCRep. 139 Human Services on S.B. No. 1687**

The purpose of this bill is to transfer the licensing of foster care facilities from the Family and Adult Services Division of the Department of Human Services to the Office of Youth Services of that same department.

This bill makes various amendments to statutorily accomplish that transfer and adds a section to require criminal history records checks for applicants for certificates of approval.

Your Committee finds that consolidating foster care units as a single statewide unit under the administration of the Office of Youth Services allows for the creation of a more visible and integrated state foster care licensing system and thus a stronger foster home network. This would also result in a more efficient allocation of resources.

Your Committee received supporting testimony for this administration proposal from the Department of Human Services.

Your Committee has made technical, nonsubstantive amendments for proper statutory drafting style and has added a provision relating to the confidentiality of records of foster parents.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1687, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 140 Ecology and Environmental Protection on S.B. No. 1739**

The purpose of this bill is to clarify the intent and authority of the Clean Hawaii Center, which was created by Act 202, Session Laws of Hawaii 1994.

Your Committee finds that the Clean Hawaii Center was created to work in partnership with business and government to develop and expand commercial markets for recyclable materials and recycled content products, and to facilitate recycling and environmental business and technology development.

Your Committee further finds that with limited landfill space; the high cost of siting, designing, and constructing new landfills; and increasingly stricter environmental controls that counties must comply with, alternative waste management techniques, including recycling, are gaining in importance as an integral component of solid waste management in Hawaii.

For these reasons, your Committee finds it prudent to prolong the life of landfills, increasing the opportunity to save for future costs. Alternative disposal options such as recycling and reuse also offer opportunities for private sector investment.

Your Committee received favorable testimony from the Department of Business, Economic Development, and Tourism and John Harrison, of the Environmental Center at the University of Hawaii.

Your Committee has amended this bill to include additional provisions which were submitted by the department as follows:

- (1) To allow the department to "promote, facilitate, contract out for, administer, or manage recycling parks";
- (2) To delete the provision that the reimbursement to board members for travel expenses necessary for the performance of their duties be made from the Clean Hawaii fund;

- (3) To allow the department to use unappropriated moneys in the Clean Hawaii Fund for workshops, demonstrations, studies, travel expense reimbursements, and contracts;
- (4) To authorize an expenditure ceiling from the Clean Hawaii Fund of \$50,000 in fiscal year 1995-1996; and
- (5) To make technical, nonsubstantive amendments in the interest of clarity.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1739, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SCRep. 141 Ecology and Environmental Protection on S.B. No. 1893**

The purpose of this bill is to authorize the Department of Health to charge fees for certain environmental and health-related services, and to create two special funds for environmental management.

Your Committee finds that the department has not imposed fees for environmental management programs. Presently, any moneys collected are deposited into the general fund; the department has been reluctant to implement fees because of this. This bill seeks to authorize the department to charge fees to fund the issuance or renewal of licenses, permits, variances, and certificates; the fees may also include the cost of related examinations, inspections, investigations, and reviews. By creating an air and waste management special fund and a water quality management special fund, this bill will allow for the funding of costs associated with the operation and maintenance of the respective program areas.

Your Committee finds that environmental management programs, and the State's environmental programs in general, are woefully under-funded. A danger exists of losing primacy and federal funding for several environmental program areas. The loss of primacy may result in stricter, yet often unnecessary federal standards. The loss of primacy would also lead to increased response times, with enforcement, regulatory, and administrative decisions being issued from the United States Environmental Protection Agency Region IX office in San Francisco.

Your Committee received disparate testimony on this bill from governmental agencies, the Tax Foundation of Hawaii, the Chamber of Commerce of Hawaii, and various industry groups.

Your Committee finds that a philosophical question needs to be discussed: within the current administration, there is debate over the efficacy of special funds versus general funds. Furthermore, existing state or federal mandates may govern whether fees for certain types of permits may be lumped or must be partitioned into special purpose budget categories within the fund. However, your Committee finds that the funding of these environmental programs is of more importance than the manner in which they are funded; lacking the time necessary for the administration's policy decision, your Committee would recommend that this measure be adopted so that it may be used as a vehicle for the further discussion of environmental funding.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1893 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SCRep. 142 Agriculture, Labor, and Employment on S.B. No. 254**

The purpose of this bill is to exempt agricultural and horticultural organizations from the imposition of the State's general excise tax.

Your Committee finds that under existing law, business leagues, chambers of commerce, boards of trade, civic leagues, and other organizations operated exclusively for the benefit of the community and for the promotion of social welfare are exempted from the State's general excise tax law whereas agricultural and horticultural organizations are not.

Your Committee believes that agricultural and horticultural organizations from which no profit inures to the benefit of any member should be provided with the same tax exemptions as those already listed in section 237-23(a)(5), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 254 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 143 Agriculture, Labor, and Employment on S.B. No. 355**

The purpose of this bill is to appropriate \$25,000 for fiscal year 1995-1996 for an environmental assessment for a proposed slaughterhouse and meat processing plant site in Campbell Industrial Park.

Testimony received by your Committee indicates that the livestock industries are significant economic contributors to Hawaii's diversified agriculture. A new slaughterhouse and meat processing plant in Campbell Industrial Park would be a major step in improving the efficiency of meat processing and would also alleviate community concerns of noise, odors, and proximity to residential and community areas.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 355 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 144     Agriculture, Labor, and Employment on S.B. No. 358**

The purpose of this bill is to exempt amounts received from governmental agricultural crop disaster assistance programs from the State's general excise tax.

Your Committee finds that moneys received by affected agricultural entities from governmental agricultural crop disaster assistance programs for losses incurred as a result of a disaster are taxable under the State's existing general excise tax law.

Your Committee believes that the inalterably long recovery period following a disaster already places an undue hardship on agricultural entities and the subsequent taxing of any relief funds only hampers the recovery process.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 145     Higher Education, Culture, and Arts on S.B. No. 1627**

The purpose of this bill is to establish the University of Hawaii graduate application revolving fund. Moneys from this fund will be used to meet the costs of processing applications to the graduate division graduate programs.

Your Committee supports the efforts of the university to recover costs of processing applications to the graduate division graduate programs from applicants. Your Committee believes that fees for Hawaii residents should be low to ensure full access to graduate programs. Fees for non-Hawaii residents and international applicants, however, should be set to fully recover all costs associated with processing applications.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1627 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 146     Housing on S.B. No. 338**

The purpose of the bill is to give judges discretion to award or not award holdover rent.

Supporting testimony was submitted by the Office of the Administrative Director of the Courts and Legal Aid Society of Hawaii.

Testimony revealed that under current law, judges must award holdover rent of twice the monthly rent against any residential tenant who is later determined to have improperly stayed within rented premises. There are situations in which this mandatory award is excessively harsh, such as where (1) the tenant suddenly became unemployed because of a layoff or injuries suffered in an accident; or (2) the tenant reasonably believed the tenant was justified in withholding rent because of a landlord's failure to repair, but is found to have owed some money to the landlord, although not all the landlord claimed. Yet, under the current law, judges have no discretion to decide whether awarding double "holdover" rent would be fair under the circumstances. This bill would give judges that discretion.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 338 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

**SCRep. 147     Housing on S.B. No. 596**

The purpose of the bill is to require Housing Finance and Development Corporation (HFDC) to establish a loan program to provide loans to current leaseholders in Maunaloa for the repair, renovation, or new construction of housing.

Your Committee finds that the primary problem concerning the residents of Maunalaha is that they live in an "unimproved" subdivision and thus, cannot obtain financing from conventional lenders due to the substandard infrastructures. As such, the residents cannot obtain permits for construction which is a major requirement when financing home construction through conventional lenders.

In addition, your Committee has learned that, while the mortgage financing program proposed by the bill would help the residents in the future, the high priority is to provide funding to make the subdivision improvements.

Supportive testimony was received from the Maunalaha Valley Community Association and other concerned residents. HFDC supported the intent of the legislation but cannot support the appropriation, since it is not consistent with the State's Biennium Budget request. The Office of Hawaiian Affairs (OHA) also supported the intent of the bill, but with recommended amendments.

Residents of Maunalaha Valley testified that, though they signed a 65-year lease with DLNR in 1983, they are still not able to get financing to repair or rebuild their homes. They were also informed by DLNR that to build new homes, they must conform to county standards, with updated infrastructure. The residents further stated that there are homes in the valley that are dilapidated and unlivable.

Upon consideration, your Committee believes that the residents of Maunalaha Valley would probably be best served by OHA and would like to entertain the possibility of transferring the lands at Maunalaha Valley from the Department of Land and Natural Resources (DLNR) to OHA.

Thus, your Committee has amended the bill as follows:

- (1) Providing that the Maunalaha subdivision be exempt from all state and county subdivision and housing development standards;
- (2) Authorizing DLNR to commence discussions with OHA regarding the transfer of Maunalaha subdivision to OHA, and;
- (3) Appropriating moneys to cover the subdivision improvement costs which conform to state and county safety and health requirements.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 596, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

#### **SCRep. 148 Housing on S.B. No. 856**

The purpose of the bill is to establish a pilot program to determine the feasibility of establishing a starter home construction program in Hawaii.

The Housing Finance and Development Corporation (HFDC) submitted opposing testimony as it could not support the appropriation since it is not consistent with the State's Biennium Budget request.

However, your Committee believes that the enactment of this measure would help families seeking to purchase their first homes. Many families find it difficult to locate housing units that are designed to meet their needs and priced to correspond with their limited incomes. Starter homes, or homes that are designed to be expanded incrementally, can reduce the initial costs first-time homebuyers must deal with in purchasing a home. Over time, as family income rises, additions to the home will be possible because of design features that permit expansion.

Your Committee has amended the bill as follows:

Section 1 has been amended to strengthen the purpose of the bill by replacing the language establishing a pilot program to determine the feasibility of establishing a starter home construction program in Hawaii with new language to authorize the housing finance and development corporation to include starter homes in each housing project developed by the corporation.

Section 2 has essentially been deleted in its entirety. A new section 2 adds language to amend chapter 201E, Hawaii Revised Statutes, by adding a new section to subpart B of part III that defines starter homes; requires HFDC to adopt rules to establish design standards and applicant eligibility; and authorizes HFDC to incorporate starter homes into housing projects of the corporation.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 856, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

#### **SCRep. 149 Housing on S.B. No. 1456**

The purpose of the bill is to amend sections 412:5-305, 412:6-306, 412:7-306, 412:9-409, Hawaii Revised Statutes, to allow investment in low income housing tax credit equity funds and projects by state chartered financial institutions in the same manner allowed the federally-chartered institutions.

Testimony in support of this bill was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Community Reinvestment Corporation (HCRC).

Testimony revealed that in 1991 the HCRC was organized by Hawaii's financial institutions for the purpose of increasing the inventory of affordable rental housing throughout the Islands by offering a permanent mortgage loan at below market interest rates to qualifying rental projects. To date the program has assisted 836 housing units.

To provide additional ways to help member institutions invest in communities they serve, the HCRC has created a Low Income Housing Tax Credit Equity Fund. This is a limited partnership in which the financial institutions will invest as limited partners. The limited partnership in turn will invest in low income rental projects, which must remain available to low income tenants at reduced rental rates for at least 15 years.

Federal bank regulators permit this type of investment for national banks. State chartered institutions may invest in anything permitted to national banks, but only with the approval of the Commissioner of Financial Institutions. Based upon current experience, obtaining the Commissioner's consent is a time consuming process.

Your Committee finds that allowing Hawaii's state chartered financial institutions to invest in low income rental housing partnerships without needing to first seek the approval of the Commissioner will streamline the process, shorten the development time frame, and place the state chartered institutions on a par with national banks.

Technical, nonsubstantive amendments to the bill have been made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1456, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1456, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

#### **SCRep. 150 Housing on S.B. No. 1699**

The purpose of the bill is to amend Section 7 of Act 50, Session Laws of Hawaii 1979, to authorize the Housing Finance and Development Corporation (HFDC) to issue an additional \$500,000,000 in tax exempt revenue bonds for the Hula Mae Single Family Mortgage Purchase Program.

Testimony in support of this bill was submitted by the Housing Finance and Development Corporation (HFDC).

Testimony revealed that the Hula Mae Single Family Mortgage Purchase Program has assisted over 6,500 of Hawaii's low- and moderate-income families purchase their first homes since the program's inception in 1980. Under this program, the HFDC is authorized to issue tax-exempt mortgage revenue bonds, and to make funds available through mortgage lenders at affordable interest rates to households with low to moderate incomes.

The HFDC is currently authorized, with the approval of the Governor, to issue revenue bonds in the aggregate principal amount of \$1,275,000,000. To date, the HFDC has issued revenue bonds aggregating \$1,225,055,000, leaving only \$49,945,000 of bond authority available to HFDC and private developers. The bonds are debt obligations solely of HFDC, and not the State.

Because HFDC continues its aggressive housing production schedule, coupled with the growing demand for affordable mortgage money for first time homebuyers, the additional \$500,000,000 of revenue bond authorization is recommended, bringing the aggregate authorization up to \$1,725,000,000.

Your Committee has amended this bill by:

- (1) Amending the prefatory language of Section 1 to reflect more appropriate wording; and
- (2) Making a technical nonsubstantive amendment for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1699 as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1699, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

#### **SCRep. 151 Housing on S.B. No. 1702**

The purpose of this bill is to amend section 36-21, Hawaii Revised Statutes, to extend the investment option of the State to include notes and bonds issued by the Federal Home Loan Bank (FHLB), Federal National Mortgage Association

(FNMA), and Federal Home Loan Mortgage Corporation (FHLMC) and also mutual funds with portfolios limited to bonds or securities issued or guaranteed by U.S. Government or agency thereof.

The Department of Budget and Finance submitted testimony in support of the bill with the belief that the proposal will provide the Director of Finance with an additional investment opportunity to enhance investment earnings of the State from 10 to 35 basis points higher than the U.S. Treasury securities without compromising the State's primary objectives of safety and liquidity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1702 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

#### SCRep. 152 Judiciary on S.B. No. 435

The purpose of the bill, as received by your Committee, is to establish comprehensive provisions prohibiting the purchase, possession, and consumption of alcoholic beverages by underage persons. The bill is patterned after a model act prepared by the President's Commission on Model State Drug Laws.

The bill increases the penalties for underage drinking by requiring underage persons convicted of this offense to perform community service and surrender their driver's licenses in certain circumstances. In addition to these penalties, the bill mandates that underage persons, when convicted of a second or subsequent violation relating to underage drinking, undergo an alcohol and drug assessment. Should the assessment establish that the underage person has an alcohol or drug problem, the court shall order the underage person into appropriate treatment or counseling services at the expense of the underage person or his/her parents. If the underage person is determined by the court to be indigent, the cost of the assessment shall be borne by the State's driver education program. Penalties for those failing to complete the court ordered treatment are also provided for in the bill.

Testimony in support of the measure was received from the director of finance of the City and County of Honolulu, the Honolulu prosecuting attorney, the Honolulu police department, and Mothers Against Drunk Driving (MADD). The public defender questioned the fairness of suspending the driver's license of an underage person who may not have been driving a vehicle when apprehended. Your Committee has therefore amended the bill by clarifying that driver's licenses will be suspended for those underage persons caught drinking and driving. Your Committee wishes to point out however that for those underage persons who do not have a driver's license, or have their driver's licenses suspended or revoked at the time of conviction, their eligibility to receive a license or have a revoked license reinstated, will be delayed by a period equal to the level of punishment specified for those convicted of driving under the influence.

Your Committee recognizes the increasing problem of alcohol use by underage persons in our country. The average age at which young people begin drinking is thirteen according to a National High School Senior Survey. Other national studies demonstrate that the use of alcohol by individuals before the age of fifteen appears to be one of the predictors of later heavy alcohol and other drug use by the individuals. Forty-seven per cent of traffic fatalities of people age fifteen to twenty were alcohol related in 1991, according to the National Highway Traffic Safety Administration. The Honolulu police department testified that drinking by underage persons in Hawaii is a serious problem. In 1993, 201 DUI arrests and 260 liquor law arrests were made in the 15 to 20 year old group, representing 56 per cent of the total arrested for liquor law violations. In 1994, 118 DUI arrests and 364 liquor law violations were made in this age group, accounting for 79 per cent of the total arrested.

Upon further review, your Committee has amended this bill to clarify certain inconsistencies. The phrase "underage person" is used throughout the bill, as amended, instead of "minor". Definitions of "alcoholic beverage" and "intoxicating liquor" have been added to the bill. In addition, the penalty fine on page 13, line 11 has been amended to comply with HRS §281-91, and family court is given jurisdiction for persons apprehended who are under the age of eighteen.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 435, S. D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

#### SCRep. 153 Judiciary on S.B. No. 87

The purpose of the bill, as received by your Committee, is to expand the emergency release program authorized by the 1993 Legislature to allow inmates whose bail is \$10,000 or less to be considered by the director of public safety for emergency release, rather than those with bail of \$5,000 or less as currently provided. Additionally, the measure extends the emergency release authority beyond the director to his designee.

Your Committee finds that overcrowding at our community correctional centers is substantially linked to the number of pretrial persons kept in custody. The number of pretrial inmates can fluctuate dramatically in any given day depending on the level of police activity in the days immediately prior. Your Committee however is extremely concerned about the discretion being given to the director of public safety, or his designee, under this measure.

Testimony received from the Honolulu prosecuting attorney's office indicates that \$10,000 is sometimes the bail amount for Class A and B felons. Your Committee wishes to point out that it was not the intent of the Legislature to provide the director with the emergency release authority for those accused of serious, violent crimes.

Further, testimony by the Honolulu prosecuting attorney revealed that 45%, or roughly half, of those released under this authority recidivated and were returned to prison. Although the director of public safety testified that as a result of closer supervision and monitoring of these pretrial detainees, the recidivism rate for these inmates has improved markedly, your Committee was reluctant to increase the population eligible for emergency release and to extend the authority required.

Your Committee believes that an additional one-year period for review is necessary to properly evaluate the authority given to the public safety director. The Committee wishes to give notice however that if the recidivism rate continues to approximate half of the inmates released, this authority may be rescinded or further circumscribed in the future.

Your Committee made several amendments to this bill. First, the public safety director will now be required to notify the prosecuting authority prior to releasing an inmate. Second, the bail amount maximum to be eligible for emergency release has been retained at \$5,000 or less. Third, at the request of the Honolulu prosecuting attorney, those charged with a crime involving violence against a person will not be eligible for release under this measure. Finally, the repeal date of the Act has been extended one more year to June 30, 1996.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 87, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 87, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsuura).

#### **SCRep. 154     Judiciary on S.B. No. 100**

The purpose of the bill, as received by your Committee, is to clarify the certification requirements for party membership where a candidate submits nomination papers for a primary election, and the procedures for objection to party membership.

Testimony in support of the measure was submitted by the association of clerks and election officers of Hawaii, the Hawaii Green party, and the Democratic party of Hawaii. There was unanimity among those testifying that a political party should have the authority to object to a candidacy when a candidate is not a bona fide member of the party.

Your Committee recognizes that primary elections are held to select candidates to represent a political party in the general election. Current state law requires a candidate to merely declare membership in a political party, or alternatively to register as an independent candidate when filing nomination papers.

Your Committee believes that political parties should have the authority and responsibility to certify party membership when a candidate files nomination papers in order to ensure that the candidates who declare themselves to the public as belonging to a particular party, in fact do. Therefore, your Committee has amended the bill to require a candidate to submit a letter from the party's state or county chairperson stating that the candidate is a bona fide member of the party. Oral testimony from the state chairs of the Green and Democratic party was received in support of the amendment. In addition, your Committee believes that the burden for certification should fall on the political party, rather than the agency responsible for the conduct of the elections.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 100, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 100, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

#### **SCRep. 155     Consumer Protection on S.B. No. 1762**

The purpose of this bill, as received, is to reform the no-fault insurance system by providing for limited no-fault coverage (medical payments) and reinstating tort liability.

The purpose of this bill, as amended, is to provide for a system of "pure no-fault."

In 1971, the legislature, through House Concurrent Resolution No. 93, H.D. 1, requested the legislative auditor to conduct a study of the Hawaii's motor vehicle insurance program and submit a report to the 1972 legislature. In response, the consultant firm of Haldi Associates, Inc. was retained by the auditor to: (1) evaluate the prevailing system of motor vehicle insurance in Hawaii; (2) formulate alternatives to the existing system and subject the alternatives to systematic analysis; (3) identify and recommend the alternative which analysis shows to be the preferred program; and (4) develop legislation and program plans for implementing the recommended alternative. In response to the report, the legislature in 1973, adopted most of the Haldi recommendations and passed enabling legislation to change the basis of Hawaii's motor vehicle insurance program from tort and liability with first party coverages, to a partial no-fault/tort system (Chapter 431, Article 10C). Since 1973 however, the legislature has amended Hawaii's no-fault laws in every regular session and in excess of eighty times with no significant improvements.

In light of this history, your Committee established general goals as well as specific objectives for guidance in reviewing and evaluating proposed reforms. General goals included: (1) reduction of cost and increase in availability of motor vehicle insurance; (2) speedy compensation ensured for economic losses; (3) establishment of mandatory minimum levels

of insurance coverage for motor vehicle related injuries; and (4) elimination of artificial "cost-drivers" which automatically ensure rising costs for insurance coverage. Upon consideration of these general goals and various reform proposals, your Committee believes that the legislature's original commitment to the no-fault concept was not completely without merit. Upon further evaluation, your Committee believes that a transition from our current no-fault/tort system to embody a "pure no-fault" concept would be sufficient to achieve all of the general goals set forth by your Committee. The bill as amended, therefore provides for a pure no-fault system with specific objectives as follows:

#### Elimination of tort liability

Under the pure no-fault concept as proposed, the tort system is eliminated as a means of damage recovery except for intentional and/or criminal acts. Damage recovery would therefore, be limited to the insurance coverage carried by the injured party.

Your Committee notes that this portion of insurance coverage (bodily injury liability) currently comprises 29% of the average consumer's insurance premium and is one of the major artificial cost-drivers inherent in the current system.

#### Elimination of uninsured and underinsured insurance coverage

With the elimination of tort liability as proposed in this bill as amended, coverage for uninsured or underinsured motorists would not be necessary. New insurance policies written after enactment of this legislation would essentially be first party personal injury protection (PIP) only, which are designed to fully compensate the insured accident victim without regard as to fault.

#### Mandatory minimum personal injury protection

In order to ensure adequate protection for personal injury with the elimination of tort liability, the bill as amended provides for a mandatory minimum personal injury protection coverage of \$250,000. Information received by your Committee indicates that this amount would be sufficient to cover 99% of all auto accident injury claims. As a safeguard, your Committee has also inserted provisions to require the insurance commissioner to review and update this requirement to ensure the 99% coverage. Your Committee notes that this requirement is a minimum required amount and that insurance companies would not be prevented from offering optional coverage in excess of this amount.

#### Constitutionality

In proposing this amendment, your Committee is aware of the constitutionality issue which may arise. Your Committee finds however, that all of the laws that prohibit accident victims from recovering in tort have been upheld since the new laws were found to be "an adequate substitute for," or "a reasonable alternative to," the old law. Although the grounds have varied, all of the courts have held that legislatures can constitutionally take away the traditional right of victims to seek damages for pain and suffering in tort against the alleged tortfeasor when they were not seriously injured or where they were guaranteed that they would recover some economic loss damages from their own insurer.

#### Coordination of medical benefits

Whereas the bill as received would shift all medical costs to statutorily mandated health insurance to eliminate duplicate coverage, it has been amended to make this optional. The amendment would require insurance companies to offer the insured coordinated medical benefits coverage. This would essentially allow those consumers with health insurance or other forms of medical benefits coverage to assign the medical benefits portion of their no-fault policy to their health insurance while retaining the right to no-fault compensation for all other economic losses (wage loss, death benefits, substituted services, etc.).

Your Committee notes that a number of states allow one form of insurance to be substituted for another by statute or rules and that this alternative would permit consumers to assign medical benefits coverage to their health insurance in order to avoid duplicate coverage and premiums.

#### Removal of medical care costs from the worker's compensation medical fee schedule and peer review process

Your Committee finds that the current requirement to use the worker's compensation medical fee schedule and peer review process for motor vehicle related injuries is another significant "artificial cost driver" which can and must be eliminated before real cost savings can occur. The bill as amended therefore, deletes this requirement since consumers would be offered coordinated benefits coverage for medical claims under existing health care programs which currently operate much more economically and efficiently than that which is prescribed under the worker's compensation laws. In addition and perhaps more importantly, insurance companies would be allowed to develop more competitive and economical benefits packages to the consumer. This factor alone would provide an incentive for more insurance companies to enter the state motor vehicle insurance market.

Your Committee firmly believes that the elimination of tort liability and artificial cost drivers as proposed in the bill as amended will result in an immediate and permanent reduction of insurance premiums by not less than 30%. Additional savings in excess of this figure however, may occur over time since overall costs will become more predictable to insurance carriers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1762, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 156 Hawaiian Affairs on S.B. No. 1337**

The purpose of this bill is to allow the trustees of the office of the Hawaiian affairs to adjust the salaries of the officers and employees of the office of Hawaiian affairs excluded from collective bargaining units 3, 4, and 13.

Passing this bill, will bring parity to the officers and employees of the office of Hawaiian affairs with equivalent positions of their state counterparts who were excluded from collective bargaining units 3, 4, and 13, but were appropriated funds for salary increases and other cost adjustments pursuant to Act 63, Session Laws of Hawaii 1994.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1337 and recommends that it pass Second Reading and be referred to the Committee on Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Grauly, Levin).

**SCRep. 157 Hawaiian Affairs on S.B. No. 1338**

The purpose of this bill is to appropriate funds which represent the matching general fund share for salary adjustments for the office of Hawaiian affairs employees that have been authorized by the board of trustees of the office of Hawaiian affairs.

This bill will appropriate matching funds to bring parity to the officers and employees of the office of Hawaiian affairs with other similar state and county positions.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1338 and recommends that it pass Second Reading and be referred to the Committee on Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Grauly, Levin).

**SCRep. 158 Human Services on S.B. No. 920**

The purpose of this bill is to appropriate funds to three projects to help the homeless mentally ill.

Your Committee finds that there is a pressing need to provide for those persons in our State who are homeless and severely mentally ill. They need an array of social services from intake through rehabilitation and readjustment, for the short and the long term. Your Committee further finds that severely mentally people who are homeless may succeed in independent living units with immediately available clinical support in times of crisis. These independent living units will be part of a "Safe Haven" pilot project of the Department of Human Services, which will provide long-term rehabilitation residence for the homeless, mentally-ill persons. This bill also provides for a supported living studio for them under the Department of Health.

Your Committee received supporting testimony from the Department of Housing and Community Development of the City and County of Honolulu, Hawaii Housing Authority, Department of Health, and Catholic Charities.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 920 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 159 (Joint) Human Services and Health on S.B. No. 1082**

The purpose of this bill is to establish a policy for the Department of Human Services and the Department of Health in regards to adult day care so as to encourage and support the development and expansion of community-based adult day health centers as a viable long-term care alternative.

Presently, the Department of Health regulates adult day health centers while the Department of Human Services regulates adult day care centers. This bill requires the two departments to have a rational, unified framework for eligibility for admission, program, licensing requirements, and scope of services for both adult day health and adult day care centers. This bill also mandates that program requirements and scope of services for elders be provided on a graduated continuum in adult day care and adult day health centers to enable requirements and services to overlap in common areas and to place the more basic requirements and services within adult day care centers and the more advanced levels of care and services within adult day health centers.

Your Committees find that this bill would afford an alternative to prohibitively expensive institutional long-term care. Towards this end, your Committees believe that the number of community-based adult day health centers should be expanded while maintaining high standards of quality of care.

The two departments are required to report to the Legislature before the 1996 Regular Session. No appropriation is necessary.

Your Committees received supporting testimony from the Departments of Human Services and Health.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1082 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Aki).

**SCRep. 160 Human Services on S.B. No. 1121**

The purpose of this bill is to create a new statutory chapter on child care tort reform.

Specifically, this bill limits the tort liability of child care providers licensed or accredited under state law. Joint and several liability is abolished, the collateral source rule applies, a two year statute of limitations applies, and liability is abolished for nonprofit organizations which operate child care facilities under separate entities, such as religious organizations.

Your Committee finds that this bill would promote the provision of much needed child care facilities in this State, including those by employers as a fringe benefit to employees.

Your Committee recommends that the Committee on Judiciary amend this bill to close a potential loophole by adding that the chapter applies to an action brought by the parent or guardian of the child for injuries alleged to have been sustained by the child on the premises of the child care facility. Otherwise, the law could be read to bestow unlimited immunity from liability.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1121 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 161 Health on S.B. No. 575**

The purpose of this bill is to appropriate funds to contract with organizations that provide AIDS-related services.

Your Committee finds that HIV and AIDS are affecting people of both sexes, all ages, and every ethnic group in Hawaii. Your Committee further finds that the private organizations under contract with the State serving persons with HIV and AIDS have been effective in providing managed home care and treatment which in turn reduces the costs of services which would otherwise have to be provided by the State. Your Committee notes that this bill would increase the total appropriation for the purchase of AIDS-related services to \$4,000,000, an increase of \$940,000 over current funding. This is in addition to other funds in HTH 121 for Department of Health AIDS branch expenses.

Your Committee has amended this bill by making nonsubstantive technical changes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 575, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 162 Health on S.B. No. 592**

The purpose of this bill is to extend the expiration date of pertinent sections of Act 70, Session Laws of Hawaii 1992, from July 1, 1995, to July 1, 1997.

Act 70 required the department of health to establish a system of community-based primary health care centers throughout the State by supporting existing primary health care centers and developing such centers where none existed.

Your Committee finds that Act 70 has been important to the development of community-based health care services which reach vulnerable and underserved populations.

Your Committee has amended this bill by deleting the reference in Act 70 to Hawaii's "gap-group" state health insurance program (SHIP), which is no longer in effect.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 163 Health on S.B. No. 1593**

The purpose of this bill is to add several controlled substances to section 329-14, Hawaii Revised Statutes. In particular, this bill adds an anabolic steroid, Dihydrotestosterone. It also adds a depressant, Butorphanol. The other additions made by this bill are designed to replicate changes made in the scheduling of controlled substances in the Code of Federal Regulations.

Your Committee finds that diversion of controlled substances that have a high potential for abuse or profit in illicit markets is both serious and pervasive, and therefore believes that this bill is necessary in order to control such diversion and abuse.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1593 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 164 Judiciary on S.B. No. 309**

The purpose of the bill is to protect Hawaii property from actions by another state seeking attachment and execution under judgments that relate to any income tax imposed on pensions by the other state.

Your Committee finds that the incomes of Hawaii residents who previously earned pensions in states such as California, for example, are subject to income tax by that State. Your Committee feels that a fundamental unfairness results from this situation, as the tax applies to both the adjusted gross income earned in Hawaii as well as the deferred pension income earned in the other state. The tax collected by California in effect results in a double-taxation of the Hawaii residents, thereby depriving financially-limited senior citizen taxpayers and the State economy of significant sums of money.

Your Committee believes that the legislature, in exercising its duty to protect the interests of its Hawaii residents, needs to address this issue. While cognizant of the full faith and credit clause of the U.S. Constitution, your Committee strongly believes that only by passing this measure will a legal challenge to California law find its way to the courts, and hopefully a resolution of the issue.

The national association of retired federal employees, along with ten senior citizens from across the state, testified in strong support of the bill. All confirmed the finding of your Committee that the California law which taxes adjusted gross income, which could include the income earned in Hawaii, is fundamentally unfair.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 309 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 165 Education on S.B. No. 1157**

The purpose of this bill is to exempt the Board of Education (BOE) from the prohibition against employing or contracting with any attorney by any State department other than the attorney general.

Your Committee supports this bill and finds that the BOE would greatly benefit from the ability to have internal legal support. It is also essential that the BOE have access to independent legal counsel where the BOE is in an adversarial relationship with the Governor, since the state attorney general is an appointee of the Governor.

The BOE was in support of this bill and also felt the bill should be clarified to allow the BOE not only to contract with attorneys, but also to employ attorneys.

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

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 166 Hawaiian Affairs on S.B. No. 1171**

The purpose of this bill is to provide funds for the biennial budget of the office of Hawaiian affairs.

Your Committee finds in OHA's testimony, four points that were stated relating to the \$17.5 million biennium budget appropriation request:

- (1) When OHA Trustees appear before the Legislature, they do so as elected, not appointed officials;
- (2) Trustees carry an enormous fiduciary responsibility because they administer a trust and have sole responsibility for managing the funds in that trust;

- (3) The revenue OHA receives from twenty percent of the funds the State derives from the public land trust are Trust Funds, not special funds; and
- (4) The use of OHA's trust funds is restricted, by federal law, to programs and services which benefit Hawaiians who are fifty percent or more blood quantum.

To enable OHA to provide services for Hawaiians who are less than fifty percent blood quantum, the Legislature must appropriate moneys from the state general fund. This bill addresses this issue.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gaulty, Levin).

**SCRep. 167 Hawaiian Affairs on S.B. No. 1482**

The purpose of this bill is to authorize and appropriate an unspecified amount in general obligation bonds to acquire up to five hundred acres of land on the island of Lanai for the development of agricultural, pastoral, or aquacultural homesteads as Hawaiian home lands.

This bill would provide funds to establish an economically viable Hawaiian homestead land base on the island of Lanai.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1482 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gaulty).

**SCRep. 168 Hawaiian Affairs on S.B. No. 1637**

The purpose of this bill is to designate the department of Hawaiian home lands as a native Hawaiian housing authority to qualify for housing assistance from the United States Department of Housing and Urban Development.

This administration bill is one step of many, to enable native Hawaiians to qualify for various federal housing programs and services currently available to other native American groups. This bill would enable the department of Hawaiian home lands to administer HUD programs to develop low-income housing for native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1637 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gaulty).

**SCRep. 169 Hawaiian Affairs on S.B. No. 1844**

The purpose of this bill is to provide needed funding for the development of Hawaiian home lands for homesteading use.

Specifically, the bill appropriates moneys for:

(1) Waimea Irrigation System for Puukapu Farm lots.	
Total Funding	\$ 250,000
(2) Anahola Unit 6 - 200 residential lots.	
Total Funding	\$8,000,000
(3) Hanapepe - 60 residential lots.	
Total Funding	\$2,625,000
(4) Piipihonua - agricultural farm lots.	
Total Funding	\$ 500,000
(5) Honouliuli - agricultural farm lots.	
Total Funding	\$ 500,000

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1844 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Grauly).

**SCRep. 170 (Joint) Transportation and Government Affairs and Economic Development on S.B. No. 901**

The purpose of this bill is to amend the state and county fuel tax on alternative fuels to encourage the production, sale, and use of such fuels. Section 243-5, Hawaii Revised Statutes, is amended to set the tax rate on alternative fuels as a percentage of the diesel fuel tax rate based on their lower heating value energy content. Section 243-5, Hawaii Revised Statutes, is amended to allow the counties to set the tax rate proportional to the energy content of the alternative fuels.

Notwithstanding reservations raised through the testimony as to the effectiveness of this bill to encourage the use of alternative fuels, your Committees feel that the benefits are worth the effort. If not successful, then the impact of the bill is not great.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 901 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Matsuura, Solomon, Tam, Taniguchi).

**SCRep. 171 Judiciary on S.B. No. 432**

The purpose of this bill is to require the courts to order persons who are convicted of, or who are granted a deferred acceptance of guilty or no contest plea for, driving under the influence of intoxicating liquor, driving under the influence of drugs, or an offense involving the distribution of a controlled substance or commercial promotion of marijuana, to pay monetary assessments to a drug demand reduction assessments special fund.

Specifically, this bill:

- (1) Establishes minimum monetary assessments for class A, B, and C felonies, misdemeanors, and petty misdemeanors;
- (2) Specifies that the assessments are in addition to, and not in lieu of, and are not to be used to offset or reduce, any other fine authorized or required by law;
- (3) Establishes a drug demand reduction assessments special fund to supplement drug treatment and other drug demand reduction programs, and requires the assessments to be deposited into the special fund;
- (4) Requires restitution to the victims of crimes to be made before the payment of the assessments; and
- (5) Requires the courts to waive the imposition of the assessments and require convicted persons to perform community service if the courts determine the persons are not or will not be able to pay the assessments.

Your Committee received testimony in support of this measure from the Honolulu police department, the Honolulu prosecuting attorney, and the department of public safety. The office of the public defender pointed out that a subcommittee of the Penal Code Review Committee had rejected the concept of a drug rehabilitation program funded by fines imposed by the court on those persons convicted of drug offenses.

Your Committee believes that the full cost of drug treatment and other drug demand reduction programs should be borne by persons who benefit or try to benefit financially from the distribution of controlled substances or commercial promotion of marijuana.

Your Committee has amended this bill by allowing, rather than requiring, the courts to impose monetary assessments; and specifically prohibiting the assessments from being used as a substitute for any other fine authorized or required by law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 432, 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. 432, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 172 (Majority) Judiciary on S.B. No. 1375**

The purpose of this bill, as received by your Committee, is to establish a system of financial disclosures by all media by requesting that annual reports be voluntarily submitted to the attorney general.

Your Committee finds that Hawaii's two major newspapers were granted special permission by Congress in 1962 to operate jointly outside of federal antitrust statutes under the Mutual Publishing Plan Agreement. This permission was granted on the basis of evidence that both newspapers were failing at that time, and that timely government intervention was necessary to continue their operation.

Your Committee believes, however, that the original circumstances giving rise to this monopoly may no longer be justified. Certainly, without requiring disclosure of relevant financial information the legislature, and therefore the public, will never know. Your Committee finds that there is a need to review the original basis for the joint operating agreement.

Your Committee has amended this bill by:

- (1) Adding a purpose section discussing the reasons for the need for this bill, as explained in this report;
- (2) Limiting the definition of media to printed publications of general distribution in Hawaii that are parties to the Mutual Publishing Plan Agreement;
- (3) Requiring, rather than allowing, the media to submit annual reports of their financial condition to the attorney general;
- (4) Requiring the attorney general to submit annual reports to the United States Department of Justice regarding the annual reports submitted to the attorney general by the media; and
- (5) By making other technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1375, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, 1 (Matsunaga). Excused, 2 (Chumbley, Tam).

**SCRep. 173 Judiciary on S.B. No. 1261**

The purpose of this bill is to enable voters to decide on the need to convene a state constitutional convention to consider changes to the State Constitution.

Your Committee finds that there have been substantial demographic, economic, legal, and social changes to the State since the last constitutional convention was held in 1978. These changes have resulted in the ongoing generation of questions and issues that directly relate to scope and substance of the Hawaii State Constitution. Your Committee finds that this bill will give the electorate the opportunity to vote on the issue of convening of a constitutional convention.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Tam, Anderson).

**SCRep. 174 Judiciary on S.B. No. 1594**

The purpose of this bill is to make an emergency appropriation to the department of public safety to provide the funds necessary to continue the operation of the State's correctional facilities and public safety programs until the end of the fiscal year.

Your Committee finds that testimony submitted by the director of public safety indicates that the expenditures of the department of public safety will exceed current fiscal year funding by approximately \$4,200,507. The testimony attributes this disparity to overtime expenses at seven of the State's eight correctional facilities. This bill provides the funds necessary to continue the operation of the State's correctional facilities throughout the current fiscal year.

Your Committee has amended this bill by inserting the sum of \$4,200,507 as the amount to be appropriated.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1594, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 175 Judiciary on S.B. No. 1772**

The purpose of the bill, as received by your Committee, is to permit the child support enforcement agency (CSEA) to provide information to consumer credit reporting agencies about any delinquent obligor and to allow the CSEA to charge a reasonable fee for this information. The bill provides that all fees collected will be deposited into the general fund.

The measure also establishes procedures to enforce liens against real and personal property of a debtor parent who owes overdue support and who resides or owns property in the State. Finally, the bill allows the attorney general to appoint a staff attorney to serve as supervisor of the child support administrative process as previously provided for under law.

Your Committee believes that providing information to consumer reporting agencies on delinquent child support payments will encourage obligor parents to faithfully and regularly make their child support payments. In addition, your Committee finds that enabling the CSEA to collect fees for this information, as all ongoing business concerns do, will enable the State to recover a portion of the personnel and administrative expenses associated with this service.

Your Committee recognizes that enforcement of child support obligations through real and personal property liens is likewise an effective tool in the collection of delinquent child support payments. Clarifying that child support orders should be filed with the bureau of conveyances only after filing the order with the clerk of the appropriate circuit court and that the lien becomes effective immediately upon recordation of the child support order at the bureau will clarify our procedures for all parties concerned.

Upon consideration, your Committee amended the bill to authorize the CSEA to provide information only on parents with delinquent accounts, rather than on all accounts. Your Committee believes that it would be unfair to those obligor parents who regularly and conscientiously make their child support payments to be reported to consumer credit reporting agencies.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1772, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1772, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 176 Judiciary on S.B. No. 1773**

The purposes of the bill are to specify that a Governor's Extradition Warrant is non-bailable except in instances where the court determines that the person in custody is not the person named in the warrant; that the person is not a fugitive from justice; that there is no criminal charge or proceeding pending against the person in the demanding state; or that the documents are not, on their face, in order. The bill further requires that the judge remand the person to custody without bail, unless otherwise stipulated to by the prosecuting attorney, with the concurrence of the demanding state.

Testimony in support of the bill was received from the attorney general, the Honolulu police department and the Honolulu prosecuting attorney. The attorney general testified that existing law does not clearly state that a Governor's Extradition Warrant is non-bailable. This uncertainty has allowed some courts to grant bail after a Governor's Extradition Warrant has been issued.

Your Committee recognizes that extradition is a costly procedure and that if an individual is allowed bail after an extradition warrant is issued, there is a strong possibility that the individual will flee the jurisdiction, defeating the purpose of extradition. Your Committee believes that it has always been the intent of the law to preclude bail when extradition warrants are issued, and therefore, any ambiguity which may have previously existed should be remedied by this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1773 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 177 Planning, Land and Water Use Management on S.B. No. 1645**

The purpose of this bill is to conform various statutory citations to include chapter 183C, Hawaii Revised Statutes, enacted in 1994.

Chapter 183C relates to regulation and use of conservation district lands, including establishing zones within the conservation district to restrict the land to certain uses to be specified by department rule. It provides a cohesive and comprehensive law to protect this important natural resource.

Your Committee has amended this administration measure on the recommendation of the Board of Land and Natural Resources to change references in sections 1 and 8 of the bill from "section 183-41" to "Act 234, section 2, Session Laws of Hawaii 1957" as they relate to forest reserves, and forest and water reserve zones, respectively.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.B. No. 1645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1645, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Holt, Tanaka).

**SCRep. 178 Ways and Means on S.B. No. 310**

The purpose of this bill is to extend the "sunset" date on the issuance of new special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public from 1995 to 2005.

Your Committee finds that special purpose revenue bonds issued for this type of facility have in the past led to a cost-effective mechanism for financing capital expenditures for health care facilities. This bill would retain the law for an additional ten years.

Your Committee has amended this bill by changing the sunset date from the year 2005 to the year 2000. Your Committee finds that the volatility of Hawaii's economy, and the changing tax climate locally and nationally, mandate a shorter time frame for legislative review of the continuing effectiveness of this type of special purpose revenue bond.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 310, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Fukunaga, Taniguchi).

**SCRep. 179 Ways and Means on S.B. No. 886**

The purpose of this bill is to establish a system of aggregate fiscal and personnel controls as part of the allotment system.

The system revolves around the division of authority between the department of budget and finance, which is the central control agency, and other departments and establishments of government in the execution of the budget and other program appropriations enacted by the legislature.

Specifically, whenever allotment requests must be reduced or increased, departments must be notified of the aggregate amount of funds and the total number of positions requiring change. However, each department would determine the specific programs to be reduced, or increased. Each department, with due regard for program priorities and objectives as intended by the legislature, would revise its estimate of the amount of funds and number of personnel needed to carry out its programs that is consistent with the aggregate amount of increases or reductions. The bill also prohibits any allotment increases which would cause a specific appropriation to be exceeded. Furthermore, no increases or reductions to allotments can be made without the express approval of the governor.

Your Committee received testimony in opposition to this bill from the director of finance. The director argued that the bill would: (1) inappropriately limit the allotment control responsibilities of the department of budget and finance; and thus (2) exempt departmental decisions regarding specific program funding adjustments from any central agency's statewide program priority assessment.

Your Committee also received testimony in favor of the bill from the Tax Foundation of Hawaii that: "It would appear that recent practice has allowed moneys to be shifted from one program to another where the money allotted for the latter program exceeded what the Legislature had authorized. . . . If this has been the case then legislation such as this measure proposes is imperative."

Your Committee believes that a reduced level of centralized control by the department of budget and finance will aid the departments in achieving the program objectives intended by the legislature. Centralized control of changes in allotments have at times resulted in changes in funding that may not correspond to the intent of appropriations made by the legislature. Your Committee finds that division of authority between the central control agency and the various departments will allow the departments the flexibility to make estimates of total funding amounts and number of personnel needed to execute their programs with due regard for program priorities and objectives as intended by the legislature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 886 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Fukunaga, Taniguchi).

**SCRep. 180 Ways and Means on S.B. No. 887**

The purpose of this bill is to eliminate an exemption that enables certain appropriations to remain on the books for an indefinite period without lapsing.

The bill accomplishes this by proposing an amendment to Article VII, section 11 of the Hawaii Constitution, regarding the lapsing of appropriations, by repealing the provision exempting a general obligation bond fund appropriation from lapsing if the legislature determines it is necessary to qualify for federal aid financing and reimbursement.

Your Committee finds that this bill implements one of the auditor's recommendations regarding state capital project funds.

Under a 1978 constitutional amendment, the legislature may designate certain appropriations as exempt from the normal three-year lapsing date if those appropriations are necessary to secure federal matching funds or federal reimbursement. The 1978 constitutional convention intended that the determination to exempt funds from the lapsing requirement be made by the legislature during the session immediately prior to the lapsing date for that particular appropriation. Your Committee finds, however, that this has not been the practice; instead, the legislature has regularly added such a determination in each approved budget measure. The affected agencies then identify which appropriations qualify as being necessary for federal assistance or reimbursement, which the department of accounting and general services then designates as nonlapsing. The net effect of these practices is to prevent the appropriations from lapsing for an indefinite period.

Your Committee notes that it may be argued that unless affected agencies have this nonlapsing provision, they will not undertake projects without federal assistance. However, as noted by the auditor, some projects may never receive federal matching funds, or the funding may be held up for years. Moreover, the nonlapsing provision tends to undermine legislative oversight and is not required for federal financing.

Your Committee finds that deleting the nonlapsing provision, which specifically applies only to general obligation bond funds or portions of those funds, will assist in restoring legislative oversight and accountability with respect to the expenditure of public funds. If the legislature finds that a particular appropriation should be extended beyond the three-year lapse date, it may always re-authorize an appropriation before it lapses. Any untimely or unanticipated requirements for federal aid financing or reimbursement could be accommodated by departmental requests for re-appropriation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 887 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Fukunaga, Taniguchi).

**SCRep. 181 Ways and Means on S.B. No. 893**

The purpose of this bill is to grant the University of Hawaii the authority to increase or decrease the assessment of fees in an amount not to exceed fifty per cent with the approval of the governor.

The university assesses a variety of fees including tuition, laboratory, student services, and activities fees. At the present time the university has exercised the authority to raise fees by following administrative procedural requirements of the Administrative Procedure Act, which requires, among other things, public notice and hearing when fees are changed. Your Committee finds that this bill will not affect other fees charged by the University of Hawaii pursuant to laws other than chapter 304, Hawaii Revised Statutes, such as fees for the use of the facilities of university land projects, or fees and fines relating to parking on university premises.

Your Committee has amended this bill by clarifying that tuition increases or decreases are required to be subject to a public hearing at least one semester before being assessed. This would give students forewarning of tuition raises or other financial impacts on their education budgets.

Your Committee has also amended this bill by deleting an obsolete reference to chapter 422, Hawaii Revised Statutes, which was repealed in 1991.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 893, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Fukunaga, Taniguchi).

**SCRep. 182 Health on S.B. No. 1680**

The purpose of this bill is to appropriate out of the general funds of the State the sum of \$6,229,746, or so much thereof as may be necessary for fiscal year 1994-1995, to be used for services provided to the child and adolescent mental health program.

Your Committee finds that Act 289, Session Laws of Hawaii 1993, as amended by Act 252, Session Laws of Hawaii 1994, appropriated a certain designated sum to the department of health to provide funds for the child and adolescent mental health program for the fiscal period beginning July 1, 1994, and ending June 30, 1995.

Your Committee further finds that a critical funding emergency currently exists, as the program will expend all appropriated funds before the end of the current fiscal year and the department will be unable to meet its fiscal obligation to provide services to severely emotionally disturbed children. The increase in case referrals and court-directed placements is the primary contributing factor to this financial situation.

Consequently, your Committee strongly believes that this bill is necessary in order to prevent the reduction or discontinuance of payments for services to seriously emotionally disturbed youth. Your Committee notes, however, that detailed justification for the amount of funding requested was not provided by the department of health. Your Committee has therefore amended the bill by deleting the dollar amount from the appropriation section.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1680, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 183 Agriculture, Labor, and Employment on S.B. No. 784**

The purpose of the bill is to appropriate funds for the department of agriculture to hire or rehire three workers for the surveillance crew to control the papaya ringspot virus.

The papaya ringspot virus has spread to all of the papaya production areas in Puna, where ninety-five percent of the State's papaya production occurs. The production area in Puna has been reduced from three thousand seventy five acres in 1992, to two thousand four hundred acres in 1993. In 1994, an average of fourteen acres of papaya fields were taken out each month because of the fast-travelling virus. The papaya industry on the island of Hawaii employs over three hundred workers and contributes \$35 million annually to the Big Island economy. This bill will allow better surveillance and more assistance from the department of agriculture to Puna's papaya farmers to control the papaya ringspot virus.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 784 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 184     Agriculture, Labor, and Employment on S.B. No. 1705**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 1 for fiscal biennium 1995-97, and the excluded counterparts of employees in unit 1.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 1 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1705 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 185     Agriculture, Labor, and Employment on S.B. No. 1706**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 2 for fiscal biennium 1995-1997, and for the excluded counterparts of the employees in unit 2.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 2 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1706 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 186     Agriculture, Labor, and Employment on S.B. No. 1707**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 3 for fiscal biennium 1995-1997, and for the excluded counterparts of the employees in unit 3.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 3 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1707 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 187     Agriculture, Labor, and Employment on S.B. No. 1708**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 4 for fiscal biennium 1995-1997, and their excluded counterparts.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 4 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1708 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 188     Agriculture, Labor, and Employment on S.B. No. 1709**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 5 for fiscal biennium 1995-1996, and the excluded counterparts of the employees in unit 5.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 5 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1709 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 189     Agriculture, Labor, and Employment on S.B. No. 1710**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 6 for fiscal biennium 1995-1997, and the excluded counterparts of the employees in unit 6.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 6 shall be provided when agreement is reached.

As affirmed by the records of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1710 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 190     Agriculture, Labor, and Employment on S.B. No. 1791**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 7 for fiscal biennium 1995-1997, and the excluded counterparts of the employees in unit 7.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 7 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1791 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 191     Agriculture, Labor, and Employment on S.B. No. 1792**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 8 for fiscal biennium 1995-1997, and the excluded counterparts of the employees in unit 8.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 8 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1792 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 192     Agriculture, Labor, and Employment on S.B. No. 1793**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 9 for fiscal biennium 1995-1997, and the excluded counterparts of the employees in unit 9.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 9 shall be provided when agreement is reached. Since an agreement with the bargaining unit is not expected to be reached in time for the cost items to be included in the 1995-1997 biennium budget, a separate measure is necessary to ensure funding.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1793 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 193     Agriculture, Labor, and Employment on S.B. No. 1794**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 10 for fiscal biennium 1995-1997, and the excluded counterparts of employees in unit 10.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 10 shall be provided when agreement is reached. Since an agreement with the bargaining unit is not expected to be reached in time for the cost items to be included in the 1995-1997 biennium budget, a separate measure is necessary to ensure funding.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1794 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 194     Agriculture, Labor, and Employment on S.B. No. 1795**

The purpose of this bill is to fund the expected costs of implementing the collective bargaining agreement between the State and the exclusive representative for collective bargaining unit 11 for the fiscal biennium 1995-1997. The costs include the costs of salary adjustments, and the funds are also needed for the expected costs associated with the excluded counterparts of employees in unit 11.

Your Committee finds that an agreement with bargaining unit 11 is not expected to be completed in time for the cost items to be included in the 1995-1997 biennium budget, therefore a separate measure is necessary.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1795 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 195     Agriculture, Labor, and Employment on S.B. No. 1796**

The purpose of this bill is to provide funds for salary adjustments and other cost items negotiated between the State and the exclusive representative of collective bargaining unit 13 for fiscal biennium 1995-1997, and the excluded counterparts of the employees in unit 13.

Pursuant to section 89-10(b), Hawaii Revised Statutes, all cost items are subject to legislative appropriations. This bill constitutes the vehicle by which the cost items for collective bargaining unit 13 shall be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1796 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 196     Agriculture, Labor, and Employment on S.B. No. 1797**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for bargaining units 3, 4, and 13 and their excluded counterparts.

Your Committee finds that the funds are necessary to cover the cost of salary adjustments for the fiscal biennium 1995-1997 that was negotiated between the State and the bargaining units' representatives during the fiscal biennium 1993-95.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1797 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 197 Education on S.B. No. 396**

The purpose of this bill is to set a minimum staffing level of not less than one full-time equivalent teacher position per grade level per school for kindergarten through grade six in the public schools.

Your Committee finds that classroom size is directly related to a teacher's ability to provide individual attention to any student who may need special assistance. Your Committee further finds that in certain small rural schools, there is a need to ensure that one full-time teacher is provided for each grade level within the parameters provided in this bill.

Your Committee has amended this bill by deleting the reference to appropriation of necessary funds.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 396, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 198 Education on S.B. No. 516**

The purpose of this bill is to establish a school assessment and accountability program within the department of education.

Your Committee finds that recent efforts to reform our public education system have focussed on implementing the school/community-based management (SCBM) model to provide more autonomy and accountability for student achievement to the individual public schools. Your Committee further finds that this model also relies upon the adoption of statewide student performance standards to guide the public schools in developing appropriate curriculum and assessment mechanisms. Your Committee also recognizes that the SCBM model is intended to remove the schools from the burden of additional legislative and executive mandates, yet this measure would impose a mandate upon the department and thus the schools by establishing this assessment and accountability program in the statutes.

Your Committee, therefore, has amended this bill by:

- (1) Using session law rather than the statutes, to provide authority to the department of education to establish a statewide educational assessment and accountability system; and
- (2) Integrating the use of the statewide student performance standards recommended by the commission on performance standards and subsequently adopted by the board of education as the basis for the development of the assessment and accountability system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 516, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tam).

**SCRep. 199 Education on S.B. No. 1156**

The purpose of this bill, as received by your Committee, is to establish a commission to design a methodology for the election of the members of the board of education similar to the electoral system for selection of state senators and representatives.

Your Committee finds that the recent constitutional amendment proposing to change the board of education from an elected body to an appointed body was defeated and thus there is now a need to review the configuration of the districts as is done periodically for senatorial and representative districts. Your Committee further finds that concurrent with reviewing how the districts should be configured, this commission should also review the method of compensation of board members as well as whether the appointed student members should have voting authority.

Therefore, your Committee has amended this bill by:

- (1) Changing the size of the commission from twelve to seven members;

- (2) Defining the scope of the commission to include determining the size of the board, the method of election, the type of compensation, and whether the appointed student member should be given voting authority;
- (3) Prohibiting any currently elected official or any current board of education or department of education employee from serving on the commission;
- (4) Requiring at least three members to be appointed to provide representation of each of the neighbor island counties;
- (5) Requiring the governor to appoint members so that the commission reflects the constituency of the school/community-based management system model; and
- (6) Requiring the commission to submit a report to the legislature prior to the convening of the 1996 regular session.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee 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 referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 200 Education on S.B. No. 1635**

The purpose of this bill is to provide the Hawaii State Public Library System (HSPLS) with more autonomy with regard to personnel management.

Specifically, the bill allows the (HSPLS) to:

- (1) Reallocate existing positions;
- (2) Authorize and implement reorganizations;
- (3) Conduct its own personnel recruitment;
- (4) Reassign employee duties; and
- (5) Reclassify positions within the HSPLS.

Your Committee finds that these recommendations were developed by the HSPLS in an effort to maximize service and informational access without expending more public funds.

Your Committee believes that the bill would allow the HSPLS to streamline its operations, attempt to "reinvent government" through its initiatives, and meet customers' informational needs with minimal cost. In these times of sparse fiscal means, your Committee encourages such attempts to better utilize existing resources.

Your Committee has amended this bill on recommendation of the State Librarian and the Hawaii Government Employees Association by deleting item (3) under section 2 of the bill, referring to reassigning of employee duties.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1635, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 201 Education on S.B. No. 1906**

The purpose of this bill is to allow the department of education to initiate capital improvement projects authorized by the legislature when a priority project is delayed.

Your Committee finds that the school construction program has been the subject of recent review by the board of education and the legislature due to a backlog in the completion of capital improvements projects. In the biennial general appropriations act, the legislature makes authorizations for capital improvement projects based upon the department of education's priority list and a supplemental list approved by the legislature. Your Committee further finds that in order to expedite the completion of projects from both lists, the department needs specific authority to concurrently initiate projects from both lists.

Your Committee has amended this bill by more clearly identifying the two lists from which the department may initiate projects.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1906, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 202 Education on S.B. No. 1945**

The purpose of this bill is to allow the department of education to establish limited term part-time salaried positions to rehire retired personnel until full-time replacements can be recruited.

Your Committee finds that Act 212, Session Laws of Hawaii 1994, offered a one-time early retirement incentive to all state employees which resulted in nearly 1,000 department of education certificated employees filing for early retirement on June 30, 1995. Your Committee further finds that the departure of these certificated employees will leave many public schools without adequate staffing for the 1995-1996 school year. Thus, this measure is necessary to address teacher shortages while the department aggressively recruits full-time replacements.

Your Committee has amended this bill by:

- (1) Clarifying that the employees shall be classified as fifty per cent salaried positions; and
- (2) Deleting the rulemaking provisions for the administration of this Act.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1945, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tam).

**SCRep. 203 Higher Education, Culture, and Arts on S.B. No. 161**

The purpose of this bill is to authorize chartered student organizations of the University of Hawaii to expend public funds for legal services for those organizations.

Your Committee finds that in some instances, chartered student organizations find that they are in need of legal services. These instances usually occur for student publications and broadcast communications governing boards requiring timely and routine story checks to avoid violating laws governing libel, FCC regulations, obscenity, slander, or hazard to public or private safety and welfare. This bill will address this issue.

The attorney general found that if student organizations are declared to be "departments of the State," it would open the door for the State Treasury to pay for damages caused by independent unincorporated student organizations that are not controlled nor supervised by the state government.

Your Committee has amended the bill as suggested by the Attorney General's office by deleting sections two and three and providing new language in section four to limit exposure.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts, that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 161, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 204 Housing on S.B. No. 1701**

The purpose of the bill is to amend section 201E-132, Hawaii Revised Statutes, to authorize the housing finance development corporation to transfer funds from the rental assistance revolving fund to the downpayment loan program and the rental housing trust fund.

Testimony in support of this bill was submitted by the Housing Finance and Development Corporation (HFDC), State of Hawaii Rental Housing Trust Fund, Oahu Social Ministry, the Social Justice Committee of the Sisters of Saint Joseph of Carondelet, Homeless Ohana Association, and the Affordable Housing Alliance.

Testimony revealed that one of the greatest obstacles to first-time homebuyers is the lack of funds necessary for the downpayment. As such, the downpayment loan program revolving fund was established under Act 306, Session Laws of Hawaii (SLH) 1992, to authorize HFDC to make direct downpayment loans to eligible borrowers to assist them in becoming first-time home buyers. Currently, funds have not been appropriated for this program.

Testimony also revealed that the rental housing trust fund, established by Act 308, SLH 1992, upon completing its first full year of operation, may be in a position of exhausting its existing funds. The rental housing trust fund provides loans or grants for the pre-development, development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. Demand for funds is extremely high. In its first year of operation, a total of \$26.6 million has been requested from the trust fund program. A total of \$9.8 million has been committed to provide capacity building grants and project awards to nonprofit and public/private developers. Based on these awards, 364 new affordable rental units will be constructed. The trust fund commission has tentatively identified five additional projects that may be awarded funds.

Your Committee finds that the flexibility to transfer funds will permit more efficient use of available funds to provide affordable housing for the people of the State of Hawaii.

Your Committee has amended this bill by:

- (1) Adding language to subsection (c) for the purpose of limiting the potential conflict with subsection (d) which is for the use of interest earnings only; and
- (2) Making technical, nonsubstantive amendments for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1701, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

#### **SCRep. 205 Health on S.B. No. 168**

The purpose of this bill is to require the department of health to provide, directly or through purchases of service, for residential alcohol and other drug treatment and related services for women in childbearing years, pregnant women, parents and their dependent children, and parents who do not have custody of their children where there is a reasonable likelihood that the children will be returned to the parent if the parent participates satisfactorily in a treatment program. This bill also establishes criteria for programs and requires funded programs to collect and report data.

Your Committee finds that many babies are born in Hawaii each year after being exposed to drugs prenatally, and that such children may experience life-long physical and emotional problems as a result of their mother's substance abuse. Further, an exposed child has a much greater risk than a child not exposed to drugs of developmental delays and neurological impairment. Moreover, the economic costs which are often times associated with children exposed prenatally or otherwise (costs for special education, residential treatment for emotionally disturbed children, juvenile detention, and substance abuse treatment) are disturbingly high.

Your Committee also finds that there is a serious shortage in this State of alcohol and other drug treatment resources for women of childbearing years, and that the services that would be provided under this bill are greatly needed.

Your Committee has amended this bill by:

- (1) Restructuring the bill as the addition of four new sections to chapter 321, Hawaii Revised Statutes, instead of a new chapter;
- (2) Deleting references to "treatment programs", and substituting references to "treatment services";
- (3) Providing that for each fiscal year, the department of health shall include information in its annual budget or submit a separate appropriation bill, indicating the estimated funding needed in the next fiscal year to provide substance abuse treatment and related services to the population addressed in the bill, the number of women and children denied treatment or placed on waiting lists, the recommendations in summary form made at the annual meeting provided in the bill, and the recommendations of the department;
- (4) Deleting provisions dealing with staff training and referral mechanisms;
- (5) Deleting the provision appropriating funds out of the general revenues of the State; and
- (6) Making several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 168, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 206 Health on S.B. No. 481**

The purpose of this bill is to establish child fatality review teams at the state and local levels as a multidisciplinary approach to investigating child fatalities.

Your Committee finds that establishing a multi-agency and multidisciplinary approach to the investigation of child fatalities will provide the resources necessary to more clearly distinguish suspicious cases of child death, identify cases of suspected child abuse and neglect, and hopefully prevent further abuse. Your Committee further finds that thirty-nine states have adopted laws providing for review of child deaths and the establishment of such programs is a national initiative of the American Academy of Pediatrics.

Testimony in support of this measure was submitted by the Department of Human Services, the City and County of Honolulu Police Department, the Sudden Infant Death Syndrome Information and Counseling Program, Prevent Child Abuse Hawaii, Keiki Injury Prevention Coalition, Kaiser Permanente, the Hawaii State Commission on the Status of Women, the City and County of Honolulu Department of Prosecuting Attorney, and the Department of Health. Upon further consideration of the testimony, your Committee has amended this bill by:

- (1) Changing the size and composition of the state team to eight members, including four ex officio members and four members to be appointed by the Governor;
- (2) Clarifying that the pediatrician member of the state team shall be appointed from lists submitted by the state chapter of the American Academy of Pediatrics or the general public;
- (3) Deleting the June 30, 1995, and June 30, 1996, deadlines for action by the Department of Health;
- (4) Deleting the requirement that the state team submit an annual written report to the Governor and Legislature;
- (5) Deleting, as superfluous, the requirement that information identifying a deceased child, a family member, a guardian or caretaker of a deceased child, or an alleged or suspected perpetrator of abuse or neglect upon a child, and information regarding the involvement of any agency with the deceased child or family, not be disclosed during a public meeting;
- (6) Deleting penalty sections relating to team meetings and use of team information;
- (7) Deleting the appropriation section; and
- (8) Making various nonsubstantive technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 481, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 207 Health on S.B. No. 570**

The purpose of this bill is to allow designated persons to make health care decisions for an incapacitated person who has not executed a health care directive for medical decisions such as a living will or other advance directive.

The State currently does not have a statute that provides for some form of surrogate decision making in the absence of prior health care instructions. Consequently, court-appointed guardianship, which can be time consuming and expensive, must be sought.

Your Committee received testimony both in support of, and in opposition to, this bill. A common concern raised by witnesses was that the bill permitted surrogates to make decisions to withhold or withdraw health care from incapacitated patients.

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

- (1) The definition of "health care decision" has been amended by deleting references to orders regarding resuscitation, and directions to provide, withhold, or withdraw artificial nutrition and hydration and all other forms of health care, and by adding language clarifying that a health care decision shall not include directions or decisions to withhold or withdraw health care. Corresponding amendments deleting the power of surrogates to make any such life or death decisions have been made throughout the bill. It is your Committee's belief that there shall be a presumption that individuals who wish to authorize such measures will do so by advance directives or that the protections associated with court-ordered guardianships should apply;
- (2) The definition of "person", which was unnecessary in this bill, has been deleted;
- (3) The definition of "reasonably available" has been amended by deleting the reference to being easily contacted within twelve hours, so that the determination of reasonably available will depend only on the basis of the urgency of the patient's needs;
- (4) The definition of "member of a patient's or resident's family" has been amended by clarifying that a spouse included within the definition is one who is residing with the patient immediately prior to incapacitation; by deleting the reference to other, non-immediate, family members, like cousins, aunts, uncles, nieces, and nephews; and by clarifying that a close personal friend is included within the definition;
- (5) The provision dealing with notice of assumption of authority has been amended to clarify that a surrogate shall make all reasonable efforts to communicate the surrogate's assumption of authority as promptly as practicable to the members of the patient's or resident's family;
- (6) The provision dealing with the manner in which a surrogate shall make a health care decision has been amended to provide that, in instances where no instructions have been provided by the patient, the surrogate shall make the decision the surrogate reasonably believes the patient or resident would have made under the circumstances;

- (7) The provision dealing with disqualification of surrogates has been amended to clarify that a patient or resident may disqualify a surrogate, but only if such patient or resident is competent;
- (8) The provision specifying the steps a health care provider must take if it declines to comply with an individual instruction or health care decision has been amended to clarify that if the patient or surrogate wishes assistance, the health care provider shall immediately assist in the transfer of the patient to another provider or institution that is willing to comply with the instruction or decision; and
- (9) Several technical, nonsubstantive amendments have also been made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 570, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 208 Health on S.B. No. 1021**

The purpose of this bill is to appropriate funds for the Baby S.A.F.E. (substance abuse free environment) Hawaii program.

Specifically, the bill will replace funds from a five-year federal demonstration grant that expires in April 1995 and will expand and continue the Hawaii program through state general funds.

Your committee has found that by providing prevention, early intervention, and outpatient treatment services to those at risk and substance abusing women, Baby S.A.F.E. has made a difference in the lives of new born children and their mothers. The program also has saved health and welfare costs to the State as babies who are drug or alcohol affected often require services such as newborn intensive care, follow-up medical and developmental services, special education, child mental health services, and criminal justice interventions over the years of their youth and on into their adulthood. The Baby S.A.F.E. program is a proven vehicle to effectively address the problems associated with substance and drug abusing pregnant women.

Your Committee has amended the bill by making technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1021, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 209 Health on S.B. No. 1152**

The purpose of this bill is to appropriate out of the general revenues of the State the sum of \$850,000, or so much thereof as may be necessary for fiscal years 1995-1996 and 1996-1997, to provide funds for the Bethphage Mission to provide services to persons with developmental disabilities.

The State of Hawaii has been approved to serve up to 780 developmentally disabled individuals through the Home and Community-Based Services (H&CBS) Medicaid waiver program operated by the Federal Health Care Financing Administration. Under this program, for those developmentally disabled persons served by qualified providers, the State receives 50 per cent in federal matching funds. Bethphage Mission Pacific, Inc., founded in 1913, is currently the only State-approved H&CBS provider in West Hawaii.

Your Committee finds that the department of health has identified at least twenty-five developmentally disabled individuals in West Hawaii who need and should be serviced by the H&CBS program. However, no H&CBS services are currently being provided in West Hawaii because there is no available funding. As a consequence, whatever public services these individuals receive are now funded entirely with state moneys.

After due consideration, your Committee has amended this bill to clarify that the purpose of the appropriation is to provide funds to the Bethphage Mission in West Hawaii to serve persons with developmental disabilities through the Home and Community-Based Service Medicaid waiver program operated by the Federal Health Care Financing Administration.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 210 Health on S.B. No. 1392**

The purpose of this bill is to create the state commission on HIV/AIDS within the department of health to facilitate the planning for comprehensive programs and services for HIV/AIDS and to act as a central policy resource for HIV and AIDS-related issues.

Your Committee finds that the work of the governor's committee on HIV/AIDS, established by the governor in October, 1987, and the governor's advisory committee on HIV/AIDS, established by executive order on July 7, 1994, demonstrates the need for a permanent commission to aid in the implementation of the committees' recommendations, to develop long-range goals, and to facilitate policy development, planning, programming, and action on the needs, problems, and issues relating to HIV/AIDS in Hawaii.

After due consideration, your Committee has amended this bill to provide for the following:

- (1) There shall be established a governor's commission, rather than a state commission, on HIV/AIDS;
- (2) The commission shall be placed for administrative purposes within the office of the lieutenant governor, rather than within the department of health;
- (3) Of the appointed members of the commission, at least one member shall be from each of the counties of Hawaii, Maui, Kauai, and the city and county of Honolulu;
- (4) The commission may, rather than shall, appoint an executive secretary without regard to chapters 76 and 77;
- (5) The commission shall submit reports, rather than an annual report, on implementation of policies and recommendations to the governor, the legislature, and state departments; and
- (6) The commission may hire staff, but only subject to available funds.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1392, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

#### **SCRep. 211 Health on S.B. No. 1666**

The purpose of this bill is to replace the current premarital rubella testing requirement with a prenatal rubella testing requirement.

Your Committee finds that since current statistics show that twenty-five percent of the births in this State are to unmarried women, mandating prenatal screening will assure that most pregnant women will be screened for rubella susceptibility so that appropriate counseling and immunization measures can be performed by their physicians.

Your Committee notes that the standard set forth in this bill is the standard recommended by the American College of Obstetrics and Gynecology, and is also recommended by the American Academy of Pediatrics, Hawaii Chapter, Inc., and the Hawaii Medical Association.

Your Committee has amended this bill by providing that the Department of Health shall make available to every woman applying for a marriage license a brochure explaining rubella, the risks of infection with rubella during pregnancy, and how to seek testing and immunization.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 212 Health on S.B. No. 1670**

The purpose of this bill is to establish continuing education requirements for renewal of radiologic technology licenses, to change the renewal period from annual to biennial, to increase the membership of the radiologic technology board from nine to ten members, to specify licensure of nuclear medicine technologists, to change the title of radiation therapy technologists to radiation therapists, to prohibit the issuance of special temporary permits after June 30, 1998, and to change the eligibility requirements for licensure of technologists in radiography and radiation therapy.

Your Committee finds that this bill will allow the Radiologic Technology Board to regulate the licensure of technologists efficiently and consistently with nationally-accepted standards to ensure public health and safety.

Your Committee further finds that the establishment of continuing education requirements for licensees and the addition of licensure requirements for nuclear medicine technologists will provide the basis for the profession to stay abreast with technological changes and introduce qualifications for the administering of radiopharmaceuticals. Your Committee also finds that this bill will streamline the regulatory process for the Radiologic Technology Board, as well as minimize liability and the Department of Health's administrative support cost for the board.

Your Committee has amended this bill by:

- (1) Providing that licensees who have met the continuing education requirements of the American Registry of Radiologic Technologists in the biennium immediately preceding renewal or are in good standing with the American Registry of Radiologic Technologists shall be deemed to have met the continuing education requirement for license renewal;
- (2) Adding to the list of persons exempted from the licensing requirements under chapter 466J, Hawaii Revised Statutes, licensed medical practitioners in nuclear medicine;
- (3) Providing that after February 10, 1995, new special temporary permits shall not be issued, and after June 30, 1998, special temporary permits issued before February 10, 1995, shall not be renewed; and
- (4) Providing that the amendments to sections 466J-4 and 466J-5, Hawaii Revised Statutes, contained in sections 4 and 5 of this bill shall not be affected by the repeal and reenactment provisions set forth in section 9 of Act 169, Session Laws of Hawaii 1994.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1670, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 213      Judiciary on S.B. No. 333**

The purposes of this bill are to authorize six additional exempt positions for the judiciary, and to transfer one existing position from the fifth circuit to the first circuit.

Specifically, this bill:

- (1) Authorizes one additional law clerk each for the civil administrative judge, civil motions judge, and criminal motions judge of the circuit court of the first circuit;
- (2) Transfers one existing law clerk position from the family court administrative judge of the family court of the fifth circuit to the senior judge of the family court of the first circuit; and
- (3) Authorizes one judicial education and resource development director position, one judicial education and resource development specialist position, and one judicial education and resource development secretary position.

Your Committee received testimony in support of this bill from the administrative director of the courts, who stated verbally that the creation of these six additional positions will not require an additional appropriation.

Your Committee finds that:

- (1) The creation of these three additional law clerk positions is necessary to keep the backlog of cases in circuit and family court to an acceptable minimum;
- (2) There is no family court administrative judge in the fifth circuit and, consequently, no need to assign an additional law clerk position to that circuit;
- (3) New judges and judiciary employees need to be properly trained before they serve the public, and all judges and judiciary employees need to be regularly evaluated to help them serve the public better; and
- (4) The highly sensitive and confidential nature of the work performed by law clerks and judicial education and resource development personnel necessitates their exemption from the civil service law.

Your Committee has amended this bill by amending section 76-16(2) and (16), Hawaii Revised Statutes, to reflect the amendments made to this section by Act 56 and Act 223, Session Laws of Hawaii 1994.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 333, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 214     Judiciary on S.B. No. 1579**

The purpose of the bill is to allow the department of taxation to compromise delinquent tax liabilities, where the amount of the compromise is less than \$50,000, without the approval of the governor.

Under current law, the governor's approval is required for all compromises on delinquent tax liabilities. Your Committee finds that this has resulted in a system that is slow and inefficient, because even the smallest claims have to await approval by the governor. Your Committee finds that the bill does not jeopardize the integrity of the compromise process, because all such compromise agreements are open for public review. Furthermore, the bill will permit the tax department to settle tax disputes more efficiently and improve tax collections. Your Committee finds that the \$50,000 ceiling is an amount that may be responsibly delegated to the director of taxation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1579 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 215     Transportation and Government Affairs on S.B. No. 320**

The purpose of this bill is to eliminate the criminal sanction for violation of parking control rules promulgated by the comptroller. Presently any violation of parking control rules issued by the comptroller is punishable as a misdemeanor with imprisonment not to exceed 10 days.

This bill was submitted by the judiciary. Testimony indicated that because of the criminal penalty provisions these offenses are treated as traffic crimes and cannot be handled in the new civil traffic system. The majority of parking offenses have already been decriminalized.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 320 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 216     Transportation and Government Affairs on S.B. No. 478**

The purpose of this bill is to require that construction, alteration, improvement, or repair of all public buildings conforms to the Americans With Disability Act Accessibility Guidelines and guidelines issued by the Commission on Persons With Disabilities. The bill also requires that construction plans be reviewed and approved by the Commission prior to commencement of construction, and requires the Commission to adopt rules accordingly. The bill further authorizes the Architectural Access Committee to investigate complaints concerning inaccessibility and issue letters of noncompliance if appropriate.

Your Committee has amended the bill to:

- (1) Provide that accessibility guidelines will be issued by the Architectural Access Committee;
- (2) Require agencies to provide written assurance that construction conforms to plans approved by the Commission and all change orders will comply with accessibility guidelines;
- (3) Require complaint investigation be undertaken by the Commission rather than the Committee; and
- (4) Delete the appropriation section.

The amendments were based upon testimony that:

- (1) The Commission was the more appropriate agency to handle the complaint process;
- (2) Moving the responsibility for issuing accessibility guidelines to the Commission served no purpose; and
- (3) The written assurance that agencies would comply with the approved plans would tighten up the review process.

The appropriation was deleted in consideration of the State's financial situation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 478, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 478, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 217     Transportation and Government Affairs on S.B. No. 1276**

The purpose of this bill is to amend the definition of "veteran" in section 363-1, Hawaii Revised Statutes, to include Filipino world war II veterans who served honorably in specific military units for purposes of burial in state veterans cemeteries.

Favorable testimony was provided by the Office of Veterans Services. However, testimony indicated that the bill would not achieve its purpose of allowing these veterans to be buried in state veterans cemeteries, since the eligibility for interment is restricted by national guidelines to persons eligible for burial in national cemeteries. Your Committee amended the bill to provide alternative relief by replacing the contents of the bill in its entirety with a provision to extend the lapse date for funds appropriated by Act 252, Session Laws of Hawaii 1994, under DEF 112.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

#### **SCRep. 218 Transportation and Government Affairs on S.B. No. 1562**

The purpose of this bill is to delete the specific conditions for nonsignificant zoning changes. Presently the law defines a nonsignificant zoning change as one not affecting more than five per cent or one acre of any parcel of property, whichever is less, and which complies with the general plan and the development plan. The bill substitutes "minor" for "nonsignificant" and provides that each county shall condition such map adjustments as it deems appropriate in lieu of the deleted specific conditions.

Favorable testimony was received from the County of Hawaii Planning Department and the City and County of Honolulu Department of Land Utilization. Testimony indicated that the present law was too restrictive as few applicants can meet the requirements. Further the bill would remove restrictions on the county's zoning powers which are granted to the counties by the State.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1562 and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

#### **SCRep. 219 Hawaiian Affairs on S.B. No. 1341**

The purpose of this bill is to make housekeeping amendments to chapter 10, Hawaii Revised Statutes, relating to the office of Hawaiian affairs.

Specifically, the bill:

- (1) Authorizes the board of trustees of the office of Hawaiian affairs to determine the principal amounts of revenue bonds to be issued to finance the cost of a project and to lend to a private person for the purposes of that project;
- (2) Allows the board to invest in any money held as reserves or in sinking funds or not required for immediate disbursement;
- (3) Changes the term "office project" to "project" and amends its definition to include any undertaking or improvement capable of producing revenue, a loan to a borrower to finance an improvement, and provides that a project may be owned by a private person if the board finds that the project is for the betterment of native Hawaiians;
- (4) Authorizes the board to issue revenue bonds to finance the cost of acquisition and improvement of any project;
- (5) Allows authorization of acquisition and improvement projects for issuance of revenue bonds by resolution of the board;
- (6) Allows revenue bonds to bear interest or rates and be in the form of a book entry bond, and deletes provision requiring sale for not less than ninety-eight percent of the principal amount;
- (7) Provides that the board may issue revenue bonds that may contain covenants as to the obligation of the board to impose, collect, and revise the rates, rents, fees, and charges for the use and enjoyment of the services of the project and authorizing payment into a trust agreement or indenture;
- (8) Provides that execution and validity of bonds may be by lithograph or engraved facsimiles of the signatures of the chairperson or the administrator if authenticated by a manual signature of a duly appointed registrar;
- (9) Allows revenue bonds to be secured solely by and payable solely from a special fund to be maintained from the revenues, bond proceeds, and investment income pledged to the special fund;
- (10) Repeals provision relating to limitation of authority; and

- (11) Makes conforming technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1341 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Graulty, Levin).

**SCRep. 220 Hawaiian Affairs on S.B. No. 1494**

The purpose of this bill is to establish a Hawaiian Loko i'a (fishpond system) permitting program under the jurisdiction of the department of agriculture.

Specifically, this bill:

- (1) Provides definitions pertaining to Hawaiian fishponds;
- (2) Exempts Hawaiian fishponds from permitting, licensing review, oversight, impact assessment, and regulatory requirement of the State and the counties;
- (3) Requires a single permit to regulate restoration and operation of Hawaiian fishponds to be administered by the program;
- (4) Establishes a program to assist in the development, restoration, and operation of Hawaiian fishponds throughout the State;
- (5) Establishes penalties for any person who constructs or alters a Hawaiian fishpond without a permit issued by the program; and
- (6) Repeals the existing statutes pertaining to fishponds.

Your Committee finds that Hawaiian fishponds are a valuable resource to Hawaii. There are present programs regulating the Hawaiian fishponds, but this bill simplifies the permit process for Hawaiian fishponds.

Your Committee has amended the bill to place the program under the jurisdiction of the department of land and natural resources, has redefined the term "department" to mean the department of land and natural resources, and has also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1494, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Graulty, Levin).

**SCRep. 221 Hawaiian Affairs on S.B. No. 1629**

The purpose of this bill is to remedy all remaining land claims against the State relating to the use, disposition, or exchange of Hawaiian home lands from August 21, 1959 to the present.

Specifically, the bill:

- (1) Creates the Hawaiian home lands settlement trust fund into which shall be deposited all appropriations of Hawaiian home lands claims;
- (2) Appropriates \$2,348,558, or so much thereof as may be necessary for fiscal year 1995-96, to be expended by the department of education, for all rent due for department of Hawaiian home lands license agreement no. 308 for the continued state use of Hawaiian home lands under Nanaikapono elementary school, for the period of April 4, 1996, through October, 2002;
- (3) Appropriates \$2,390,000, or so much thereof as may be necessary for fiscal year 1995-96, to the department of budget and finance, upon certification from the office of state planning that a wrongful use has been verified, for the purpose of paying compensation for the State's uncompensated use of Hawaiian home lands for the period of August 21, 1959, through June 30, 1995;
- (4) Authorizes and appropriates \$30,000,000 in general obligation bonds from the State of Hawaii for fiscal year 1995-1996, and \$30,000,000 in general obligation bonds from the State of Hawaii for fiscal year 1996-1997, to be paid into the Hawaiian home lands settlement trust fund;
- (5) Appropriates \$150,000, or so much thereof as may be necessary for fiscal year 1995-1996, to be expended by the department of the attorney general, to continue the pursuit of Hawaiian home lands trust claims against the federal government; and

- (6) Appropriates \$1,539,000, or so much thereof as may be necessary for fiscal year 1995-1996, for the purpose of payment of moneys owed the Department of Hawaiian home lands as its thirty per cent entitlement for the use of Hanapepe, Kauai, public lands formerly under lease for sugarcane cultivation on November 7, 1978, pursuant to Article XII, section 1 of the state constitution.

Your Committee finds that this bill provides a means to settle native Hawaiians on Hawaiian home lands and fulfill the State's commitment to carry out the mission of the Hawaiian Homes Commission Act. This bill is an opportunity to partially fulfill the State's responsibility under the Hawaiian Homes Commission Act of 1920 as required by the Admission Act.

Your Committee has amended the bill by replacing in the last sentence of section 5 the phrase "The establishment of" with "Payments into". This amendment is necessary to incorporate the terms of the Memorandum of Understanding entered into on December 1, 1994, by the task force on Department of Hawaiian Home Lands Land Title and Related Claims. Your Committee has also amended the bill to allow the independent representative to continue involvement in the pursuit of Hawaiian home lands trust claims against the federal government.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1629, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Grauly, Levin).

**SCRep. 222 (Majority) Hawaiian Affairs on S.B. No. 1636**

The purpose of this bill is to amend the repeal date from December 31, 1995, to December 31, 1998, of Act 75, Session Laws of Hawaii (SLH) 1986. Act 75 authorizes the department of Hawaiian home lands to lease a tract or tracts of Hawaiian home lands to native Hawaiians through an alternate homestead general leasing program.

Act 75, SLH 1986, provides lessees an alternative homestead general leasing program that provides a fifty-five year lease and fair market rent option, allows greater flexibility in financing improvements on the land, in passing their leasehold interest to a surviving spouse or children or others, and obtaining the financing and construction of off-site and on-site infrastructure improvements. The homestead general leasing program would be in addition to the existing homestead leasing program under the Hawaiian Homes Commission Act.

This alternative program takes effect upon Governor's approval and with the consent of the U.S. Congress. The Governor's approval was given on April 22, 1986, but the consent of Congress has not been obtained. The proposed program is under a sunset provision repealing the provision five years after consent by the United States or December 31, 1995. This bill would extend the opportunity for native Hawaiian beneficiaries to have an alternative homestead general leasing program option to December 31, 1998.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1636 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, 1 (Levin). Excused, 1 (Grauly).

**SCRep. 223 Hawaiian Affairs on S.B. No. 1698**

The purpose of this bill is to require that one member of the nine board of trustees of the office of Hawaiian affairs reside on the island of Molokai or Lana'i and represent Molokai; and one member reside on the island of Kauai or Ni'ihau and represent Kauai.

Your Committee finds that expanding the residency requirements for becoming a member of the board of trustees of the office of Hawaiian affairs is a reasonable solution to provide equal opportunity for those Hawaiians living on Lana'i and Ni'ihau who wish to become candidates for OHA's board of trustees. Under present law, Hawaiians living on Lana'i and Ni'ihau find it burdensome to become a candidate because they must either move to another island where there exists an opportunity to apply for candidacy or run at large.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1698 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Grauly, Levin).

**SCRep. 224 Hawaiian Affairs on S.B. No. 1862**

The purpose of this bill is to provide various substantive and technical amendments to the Hawaiian Homes Commission Act, 1920, to improve the administration of the Hawaiian home lands program.

Specifically, the bill:

- (1) Authorizes the department of Hawaiian home lands to provide an open bid process when disposing of Hawaiian home lands which allows bidders to counter the voice bids of other competitors and which will ensure that native Hawaiian bidders do not unnecessarily overbid for properties offered for general lease;
- (2) Removes the condition that an applicant for a farm loan must derive a major portion of the applicant's income from farming which previously would have precluded homesteaders from applying for a farm loan;
- (3) Establishes the Hawaiian home development fund as a separate fund from the Hawaiian home operations fund;
- (4) Increases the amount the department of Hawaiian home lands is presently authorized to borrow or guarantee on loans from \$21,000,000 to \$50,000,000 which will provide the department with needed flexibility to make additional mortgage loans in the future; and
- (5) Makes technical and nonsubstantive amendments to the Hawaiian Homes Commission Act.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1862 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Grauly, Levin).

**SCRep. 225 Ecology and Environmental Protection on S.B. No. 1643**

The purpose of this bill is to establish state authority to permit the incidental taking of threatened and endangered species, establish a habitat conservation planning process mitigating the impact of such taking, and further clarify the enforcement of this section.

Your Committee received strong support in favor of S.B. No. 1643. Those in favor of the bill believe it will improve the implementation of the State Endangered Species Act through greater flexibility in the management of endangered species and by the establishment of a proactive habitat conservation planning process. The flexibility will also allow landowners to maximize the use of their lands. Those in opposition feel that endangered species need to be protected as a measure of last resort.

Your Committee amended this bill by compelling enforcement requirements, and by allowing court costs to be awarded in any suit where such an award is determined appropriate by the court.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1643, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 226 Ecology and Environmental Protection on S.B. No. 1194**

The purpose of this bill is to describe the uses of the environmental response fund, and which departments are authorized to utilize the fund. It also proposes to increase the tax on petroleum products which funds the environmental response fund, and increases the uses of the fund to include clean water.

Testimony for the bill was generally very supportive of the efforts to provide more funding for environmental protection programs. However, the bill encountered strong opposition to the proposed tax rate increase on petroleum products. Testimony in opposition to the tax rate increase indicated that the tax was inappropriate and unfair.

Your Committee amended S.B. No. 1194 by deleting the language which proposes a tax rate increase on petroleum products.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1194, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 227 Economic Development on S.B. No. 910**

The purpose of this bill is to appropriate funds to the University of Hawaii, School of Ocean and Earth Science and Technology to support 5 positions in biofuels technology, materials applications, open ocean mariculture systems, tropical coastal ecosystems, and nutrient chemistry.

Dr. Patrick Takahashi, Director of the Hawaii Natural Energy Institute, School of Ocean and Earth Science and Technology, provided very strong testimony in favor of this bill. He stated that last year the University of Hawaii applied to the National Science Foundation (NSF) for establishment of a national Center for Bioproducts Development. The University was one of ten finalists, but was not chosen.

Dr. Takahashi testified that with the increase in staff this bill provides for, the University will likely be selected as a national center in the very near future. If selected, the ocean and resource program would receive over \$2.5 million annually from NSF and private industries for the next eleven years. Dr. Takahashi also pointed out that research from this program could ultimately be Hawaii's best hope for a more diversified economy.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 228      Economic Development on S.B. No. 1507**

The purpose of this bill is to transfer all rights, powers, functions, and duties of the Office of Space Industry (OSI), relating to the advanced communications technology satellites program and other appropriate high technology initiatives, to the High Technology Development Corporation (HTDC).

Dialogue between Committee members and testifiers on the bill focused on the importance that the space industry could have on the State. With the State's location, and OSI's relationship with NASA and other space organizations, the State has a unique opportunity to develop space and other associated technologies as an alternative industry. Preserving the rights, powers, functions, and duties of OSI, by transferring them to HTDC, will allow this alternative industry the opportunity it needs to grow.

Committee members, however, expressed concern that this industry in Hawaii should not include a spaceport, and that the industry potential should lie in non-spaceport activities such as telecommunications, space education and training, community outreach, international networking, and imaging and information management.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1507 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 229      (Joint) Economic Development and Ecology and Environmental Protection on S.B. No. 1386**

The purpose of this bill is to appropriate funds to facilitate and streamline the process of obtaining permits by encouraging county agencies and requiring state agencies to participate in a consolidated application procedure.

Testimony was heard from the Department of Business, Economic Development, and Tourism (DBEDT) in support of S.B. No. 1386 based upon the premise that the proposed bill does not adversely replace or impact priorities indicated in the executive biennium or the supplemental budget.

As affirmed by the records of votes of the members of your Committees on Economic Development and Ecology and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1386 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SCRep. 230      Economic Development on S.B. No. 1652**

The purpose of this bill is to repeal the establishment of the industrial park special fund.

The Department of Land and Natural Resources (DLNR) provided testimony in support of this bill, stating that the industrial park special fund has rarely been used in the past and is unlikely to be used in the future. Furthermore, abolishment of the special fund would not impair the State's authority to work with the private sector to jointly develop industrial parks on state lands. Thus, in light of the large budget deficits projected by the Administration in the biennium budget, DLNR testified that this special fund is not necessary.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1652 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 231      Economic Development on S.B. No. 1734**

The purpose of this bill is to update chapter 212, Hawaii Revised Statutes (HRS), to be consistent with the current federal regulations relating to zone status classifications, to explicitly permit the expenditure of moneys from the special fund for CIP (Capital Improvement Projects), and to correct the spelling of "foreign-trade zone" in two places by proper inclusion of the hyphen.

The Department of Business, Economic Development, and Tourism (DBEDT) testified that the bill is necessary to make the language of the chapter clearer. The bill accomplishes this by conforming to the federal version, Title 19, Chapter 146, Code of Federal Regulations, fixing punctuation errors, and amending section 212-9, HRS, to explicitly permit the expenditure of the special fund moneys for capital improvements.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1734 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 232 Economic Development on S.B. No. 1736**

The purpose of this bill is to repeal chapter 211, Hawaii Revised Statutes (HRS), which authorizes the Director of the Department of Business, Economic Development, and Tourism (DBEDT) to guarantee commercial loans made by private lenders.

DBEDT gave strong testimony in favor of this bill. DBEDT stated that the ready availability of loan guarantees from several federal agencies has made this program unnecessary. In fact, chapter 211, HRS, has not been used since its creation in 1965.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 233 Health on S.B. No. 21**

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$2,000,000, or so much thereof as may be necessary, and to appropriate such sum for fiscal year 1995-1996, to add a twenty bed long-term care wing to the existing facility of the Kohala Hospital. The appropriation shall not lapse at the end of the fiscal year 1995-1996; provided that all moneys from the appropriation unencumbered as of June 30, 1998, shall lapse as of that date.

Your Committee finds that the addition of a long-term care wing to the existing facility of the Kohala Hospital would greatly enhance the Hospital's ability to meet the long-term health care needs of the general public.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 21 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 234 Health on S.B. No. 22**

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$110,000, or so much thereof as may be necessary, and to appropriate such sum for fiscal year 1995-1996, for the installation of a waste water treatment system to replace the dual cesspool system at Kohala Hospital.

The appropriation shall not lapse at the end of the fiscal year 1995-1996; provided that all moneys from the appropriation unencumbered as of June 30, 1998, shall lapse as of that date.

Your Committee finds that the dual cesspool system currently at Kohala Hospital is very outdated, of limited efficiency, and in desperate need of replacement.

Your Committee received supporting testimony from the department of health which indicated that the cesspool no longer conforms to current state and county regulations for waste water treatment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 22 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 235 Health on S.B. No. 258**

The purpose of this bill is to make an appropriation out of the general revenues of the State of \$9,000,000, or so much thereof as may be necessary for fiscal year 1995-1996, for renovations to Kona Community Hospital.

Your Committee finds that such renovations are greatly needed in order for the hospital to continue to provide quality health care services to Kona residents.

Your Committee received supporting testimony from the Mental Health Association of Hawaii and the State Health Planning and Development Agency which indicated that this project has been identified as an "urgent current unmet need."

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 258 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 236 Health on S.B. No. 388**

The purpose of this bill is to make appropriations out of the general revenues of the State of \$880,000 and \$615,000 for fiscal years 1995-1996 and 1996-1997, respectively, for the general operating costs of Kahuku Hospital.

Your Committee recognizes the importance of Kahuku Hospital, as the sole community hospital in its area, to continue to provide comprehensive primary medical care and social services to Oahu's north shore and windward communities. Your Committee further recognizes that rising health care costs and high medical inflation rates make the operation and maintenance of a quality hospital like Kahuku Hospital a very costly undertaking. In addition, your Committee finds that without necessary funding for these rising operating costs, Kahuku Hospital is vulnerable to the loss of staff to other more lucrative and attractive jobs in suburban and urban communities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 388 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 237 Health on S.B. No. 588**

The purpose of this bill, as received, is to repeal the sunset provision for the issuance of special purpose revenue bonds for health care facilities.

The purpose of this bill, as amended, is to authorize the issuance of special purpose revenue bonds in the amount of \$7,000,000 for Maunalani Nursing Center.

Your Committee finds that Maunalani Nursing Center, located in Honolulu atop Wilhelmina Rise, provides a valuable public service in operating a nursing facility for the elderly and the infirm. Your Committee believes that the State should assist with the financing of renovations for existing nursing facilities such as Maunalani Nursing Center. Your Committee has amended the bill accordingly to authorize the issuance of special purpose revenue bonds for Maunalani Nursing Center.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 238 Health on S.B. No. 590**

The purpose of this bill is to appropriate \$200,000 for a women's residential program in West Hawaii that provides substance abuse services.

Your Committee received overwhelming testimony in support of this bill from countless members of the community. The Department of Health was also supportive of this bill and suggested an amendment by replacing the phrase "women's residential program" with "women's supportive living and outpatient treatment program" to more accurately reflect the program.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 590, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 239 (Joint) Health and Human Services on S.B. No. 891**

The purpose of this bill is to appropriate \$3,100,000 for fiscal year 1995-1996, for the implementation of a revised payment schedule for adult residential care home (ARCH) supplemental funding.

Your Committees find that the ARCH program provides twenty-four hour living accommodations to elderly or disabled adults for a fee. ARCH residents require at least minimal assistance with various activities of daily living but are not so impaired as to need intermediate care level services. ARCH facilities are generally classified into two types of facilities and based on certain criteria, are paid on three different levels.

Your Committees also find that the Auditor, in a 1989 report issued pursuant to Act 213, Session Laws of Hawaii 1989, recommended an increase of approximately \$3,000,000 to supplement funding to residential adult care homes.

Since the issuance of this report, ARCH facilities that are paid in accordance with levels 1 and 2 have received periodic increases in their allowances to the extent that actual allowances exceed recommended amounts. However, in the same time period, level 3 ARCH facilities have not received any increases since the issuance of the report.

In light of these findings, your Committees have decided to amend the bill by lowering the appropriated amount to accommodate a payment increase for only the level 3 ARCH facilities to ensure that these facilities enjoy equitable compensation in accordance with recommended payment schedules. Your Committees have also made stylistic amendments that have no substantive effect.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 891, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 891, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Aki, Baker).

**SCRep. 240 Health on S.B. No. 1022**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist health care facilities and to extend the sunset provision for the issuance of special purpose revenue bonds to assist health care facilities.

This bill is to help the Kapiolani Health Care System's health care facility subsidiaries in financing the capital costs related to new construction, renovation, and equipment purchase. The amount is for \$45,000,000.

This bill also extends the sunset provision from June 30, 1995, to June 30, 1999, to issue special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

Your Committee finds that Kapiolani Health Care System is a major health care provider in Hawaii and should receive state financing assistance in the public interest.

Your Committee has amended this bill to extend the sunset date to June 30, 2000 at the request of Kapiolani Health Care System.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 241 Health on S.B. No. 1362**

The purpose of this bill is to make an appropriation out of the general revenues of the State of \$723,000, or so much thereof as may be necessary for fiscal year 1995-1996, for the design, construction, and equipping of a seven station dialysis unit at Kauai Veterans Memorial Hospital.

Your Committee finds that the west Kauai community is in serious need of renal dialysis services, as only limited services are available in Lihue. In fact, there are about twenty-five people living in west Kauai who would immediately benefit from this service if it were available at the Kauai Veterans Memorial Hospital. The funds appropriated by this bill are needed to construct the dialysis unit as the last phase of completing the construction of the Kauai Veterans Memorial Hospital medical office building.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 242 (Joint) Health and Human Services on S.B. No. 1371**

The purpose of this bill is to establish the Family Center Demonstration Project as a permanent program within the Department of Health.

Your Committees find that the Family Center, which was established as a demonstration project of the Department of Human Services, provides the means for strengthening the family through networking, coordination of resources, and

collaborative services. The Family Center Project recognizes families as an important and vital resource. By promoting healthy lifestyles through preventative initiatives, the Family Center's goal is to reduce long-term state subsidization of dysfunctional families.

Your Committees believe that permanently establishing the Family Center Program is a cost-effective method to promoting the long-term health and welfare of the State.

Your Committees have amended the bill by:

- (1) Correcting the reference to the administering department in section 1 by stating that the Family Center Program is administered by the Department of Human Services instead of the Department of Health;
- (2) Placing the Family Center Program in the Department of Human Services rather than the Department of Health; and
- (3) Making numerous nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1371, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1371, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Aki, Baker).

#### **SCRep. 243     Judiciary on S.B. No. 1542**

The purpose of the bill is to appropriate funds for the Honolulu police department's blood and saliva testing program and databank.

Your Committee finds that funding is necessary to maintain the blood and saliva testing program and databank, established by the legislature in 1991. Your Committee believes that the collection and analysis of saliva and blood samples greatly aids the police department in its identification of violent criminals. Hair, tissue or body fluids left on a victim or at a crime scene can be compared with the DNA "fingerprints", analyzed from the saliva and the blood, in the databank. Your Committee finds that the ability to compare the samples at crime scenes to those in the database increases the chances of identifying, apprehending and convicting dangerous offenders.

Testimony was given in support of the bill by the Honolulu prosecuting attorney and the Honolulu police department. Testimony by the police department reflected the expenses it incurs, including those for the analysis and storage of the samples, and the maintenance of the statewide data bank, along with supplies and equipment. Funding by the bill will provide the department with the means to continue this important program.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1542 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsuura, Tam).

#### **SCRep. 244     Judiciary on S.B. No. 1483**

The purpose of the bill is to appropriate funds for child visitation services, specifically \$150,000 for a center designed to provide a safe and secure environment for court-ordered non-custodial parents' family visitations.

Your Committee received testimony from fourteen organizations and individuals in support of the bill. The Honolulu prosecuting attorney testified that the visitation center currently being operated by parents and children together (PACT) benefits not only the families involved, but also greatly facilitates the child custody cases in the family court.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1483 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsuura, Tam).

#### **SCRep. 245     Judiciary on S.B. No. 426**

The purpose of this bill is to limit the initial term of office for persons appointed as a district court judge by reducing the initial term from the current six years to three years.

Your Committee finds that reducing the initial term would provide, in effect, a probationary period during which a district judge could be evaluated to determine ability and suitability for such office. If retained after this initial period, a district judge thereafter would serve a full six years for any subsequent term of appointment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 246 Education on S.B. No. 1298**

The purpose of this bill is to establish an independent teacher certification board to be administratively attached to the department of education.

Your Committee finds that certification of teachers is an important function which serves two purposes - to ensure that teachers are qualified to practice in the classroom and to instill public confidence in the teaching profession. The creation of a Hawaii teacher standards board serves both these purposes by establishing a self-regulating mechanism for the licensure and credentialing of teachers similar to other regulated professions. Your Committee further finds that because state law compels children to attend school, the State has a compelling interest in ensuring the quality of teachers in the classroom. However, your Committee notes that since the Hawaii teacher standards board is administratively attached to the department of education, the scope of regulation should be limited to licensure and credentialing of public school teachers.

Therefore, upon further consideration, your Committee has amended this bill by:

- (1) Deleting all references to private school teachers;
- (2) Assigning the responsibilities for issuing the licenses and credentials and related acts to the Hawaii teacher standards board;
- (3) Limiting the powers and duties of the board of education under this chapter to serving as the adjudicating body on appeals of decisions by the Hawaii teacher standards board;
- (4) Changing the effective date for the implementation of the Hawaii teacher standards board to the 1997-1998 school year;
- (5) Making the imposition of fines permissive rather than mandatory;
- (6) Changing the appropriation to the teacher licensing and credentialing special fund to the 1996-1997 fiscal year; and
- (7) Changing the effective date of section 1 of this Act to July 1, 1996, and to be repealed June 30, 2000, and the effective date of sections 2, 3, and 4 to July 1, 1997.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1298, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 247 (Majority) Ways and Means on S.B. No. 1762**

The purpose of this bill is to replace the existing motor vehicle insurance system with a pure no-fault system.

Additionally, this bill makes it possible for no-fault coverage to be provided through managed care arrangements such as a health maintenance organization or a preferred provider organization.

Under present law mandatory motor vehicle insurance is comprised of personal injury protection coverage up to an aggregate limit of \$20,000, minimum bodily injury liability coverage of at least \$25,000, and minimum property damage liability coverage of at least \$10,000. Tort liability is abolished unless serious injury or death is involved, the medical-rehabilitative limit is exceeded, or personal injury protection benefits are exhausted.

Your Committee finds that the present system of no-fault is in need of substantial changes, because the bodily injury liability limits and the personal injury protection amounts are inadequate in many cases of serious injury, and there is a built-in incentive under the law to have medical expenses exceed the medical-rehabilitative limit of \$10,000.

This measure increases personal injury protection coverage up to an aggregate limit of \$250,000 until 1997. Thereafter the insurance commissioner must adjust the limit such that ninety-nine per cent of all claims are fully covered by this limit. Furthermore, bodily injury liability coverage is no longer mandated, and tort liability for bodily injuries is abolished. Secondary features of the bodily injury liability component of the present no-fault system such as uninsured and underinsured motorist coverage, the medical-rehabilitative limit, and medical fee schedules, are repealed.

Also under the present law motor vehicle insurance coverage is generally provided by motor vehicle insurers, a type of property and casualty insurer. However, this type of insurance covers medical expenses of the kind which for most residents can already be covered by health insurance.

This bill attempts to coordinate benefits between the two types of insurers by authorizing motor vehicle insurers to offer policyholders the option of receiving personal injury protection coverage through managed care arrangements such as a health maintenance organization or a preferred provider organization. Essentially, this measure makes it possible for no-fault coverage to be provided by accident and health insurers, and like entities, through coordination with property and casualty insurers. It also enables recipients of care to share in payment obligations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1762, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, 1 (Fernandes Salling). Excused, 1 (Solomon).

**SCRep. 248 (Joint) Education and Communications and Public Utilities on S.R. No. 16**

The purpose of this resolution is to request the United States Congress to establish laws to share the revenues from the Federal Communications Commission auction of radio frequency spectrum for educational purposes.

Your Committees find that the development of an advanced state-of-the-art telecommunications infrastructure within the public school system is essential to supporting current teaching methods and curriculum. Your Committees further find that as the nationwide information superhighway expands to include educational venues, the State must be prepared with adequate infrastructure to provide access for our students.

Testimony in support of this resolution was submitted by the department of education, the University of Hawaii, the public utilities commission, and a private citizen.

Upon further consideration of the testimony presented, your Committees have amended this resolution by:

- (1) Adding public universities to the list of recipients of funding; and
- (2) Requesting that certified copies of this resolution be transmitted to public utility/service commissions of the fifty states, the National Association of Regulatory Utility Commissioners, the National Governors Association, the National Conference of State Legislatures, the National Association of State Universities and Land Grant Colleges, and EDUCOM.

As affirmed by the records of votes of the members of your Committees on Education and Communications and Public Utilities that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 16, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 16, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Matsuura, Tam, Liu)

**SCRep. 249 (Joint) Education and Communications and Public Utilities on S.C.R. No. 20**

The purpose of this concurrent resolution is to request the United States Congress to establish laws to share the revenues from the Federal Communications Commission auction of radio frequency spectrum for educational purposes.

Your Committees find that the development of an advanced state-of-the-art telecommunications infrastructure within the public school system is essential to supporting current teaching methods and curriculum. Your Committees further find that as the nationwide information superhighway expands to include educational venues, the State must be prepared with adequate infrastructure to provide access for our students.

Testimony in support of this concurrent resolution was submitted by the department of education, the University of Hawaii, the public utilities commission, and a private citizen.

Upon further consideration of the testimony presented, your Committees have amended this concurrent resolution by:

- (1) Adding public universities to the list of recipients of funding; and
- (2) Requesting that certified copies of this concurrent resolution be transmitted to public utility/service commissions of the fifty states, the National Association of Regulatory Utility Commissioners, the National Governors Association, the National Conference of State Legislatures, the National Association of State Universities and Land Grant Colleges, and EDUCOM.

As affirmed by the records of votes of the members of your Committees on Education and Communications and Public Utilities that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 20, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 20, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Matsuura, Tam, Liu).

**SCRep. 250 Agriculture, Labor, and Employment on S.B. No. 593**

The purpose of this bill is to extend the repeal date of Act 237, Session Laws of Hawaii 1988, from July 1, 1995, to July 1, 1996.

Act 237 authorized the Department of Land and Natural Resources to negotiate long-term leases with certain permittees of agricultural lands who have occupied such state lands for long periods of time. Their tenure is month-to-month, making it difficult for them to obtain financing to improve their farm.

The Department of Land and Natural Resources submitted testimony that they intended to comply with the July 1, 1995, deadline, but the current freeze in hiring consultants to do the appraisals to determine the lease rent makes it necessary to extend the deadline for another year.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 593 and recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 251 Agriculture, Labor, and Employment on S.B. No. 711**

The purpose of this bill is to add a retirant of the Employees' Retirement System (ERS) to the Public Employees Health Fund's Board of Trustees (Board).

Your Committee finds that approximately 26,000 retirants of the ERS currently participate in the Public Employees Health Fund without any form of representation on its Board. Your Committee believes that such a large constituency deserves the right of representation on matters that would directly affect it.

Your Committee also received testimony that asked for the removal of the requirement to have a clergy member on the Board, being that the position has been vacant for over two years and past history has indicated that obtaining a clergy member to serve on the Board has been difficult.

Consequently, your Committee has amended the bill to retain the Board's composition at nine members, removing the clergy member requirement, and substituting therefor a retirant of the ERS.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 252 Agriculture, Labor, and Employment on S.B. No. 798**

The purpose of this bill is to expand the definition of "sewer worker" to include wastewater treatment plant operators so that they may retire after twenty-five years of service.

Your Committee finds that wastewater collection system personnel are exposed to potentially pathogenic bacteria and other potentially hazardous conditions as a part of their daily duties. As a result, these personnel are afforded certain benefits in the State's retirement and pension laws to offset their potentially hazardous duties.

Your Committee believes that since wastewater treatment plant operators are exposed to these same conditions during their daily duties, they should be afforded the same benefits.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 253 Agriculture, Labor, and Employment on S.B. No. 1311**

The purpose of this bill is to appropriate funds to continue research on the behavior of the yellow sugarcane aphid that will lead to controlling the insect and to obtain potential biological control agents of the aphid from foreign countries for quarantine evaluation and release to combat the aphid.

Your Committee finds that the yellow sugarcane aphid continues to destroy the State's pastures by attacking forage grasses, particularly Kikuya grass, a major source of cattle forage. The aphid also has been found to be the most abundant insect pest of sugarcane. Although, the general predators such as spiders, ladybugs, and predaceous flies, and some biological research of the aphid has helped to combat the aphid, more work needs to be done to find additional clues for control methods such as finding new or more efficient predators, research on fertilizer practices, and research on other biological variables of the yellow sugarcane aphid. This bill will address this issue.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 254 Agriculture, Labor, and Employment on S.B. No. 1350**

The purpose of this bill is to authorize the Agribusiness Development Corporation (Corporation) to issue an unspecified amount of revenue bonds and appropriate that amount for the establishment of an agribusiness research center located in Haleiwa and Waialua.

Specifically, the bill provides for the planning, design, and construction of an agribusiness research center, located in Waialua and Haleiwa, using the Corporation as the mechanism to coordinate and administer programs to assist agricultural enterprises in transforming agricultural infrastructure from plantation operations to other diversified agricultural enterprises; to carry on the marketing analyses needed to direct agricultural industry evolution; and to provide leadership for the development, financing, improvement, and enhancement of agricultural enterprises.

Your Committee finds that the Waialua Sugar Company will terminate its operations on approximately twelve thousand acres of land in the Waialua area by the spring of 1996. The shutdown of the Waialua Sugar Company will threaten the economic and social stability of the entire Waialua area on the north shore of Oahu. The Waialua community -- a community whose social and economic well-being has been centered around a single crop and a single employer for nearly one hundred years -- is facing an uncertain future.

In addition, it is widely recognized that there are very few remaining large firms in Hawaii that will be able to provide growth for the State, especially in agricultural communities such as Waialua and Haleiwa. The economic growth that does occur in Hawaii over the next ten years will most likely be centered on the ability of Hawaii's businesses to compete in the global market. The closure of the Waialua Sugar Company presents the Waialua and Haleiwa communities with many challenges and opportunities as they seek to retain their rural and agricultural heritage.

Your Committee further finds that the opportunities inherent in the closure of large-scale sugar production were recognized by the 1994 Legislature through the passage of S.B. No. 3045 (Act 264) and the establishment of the Agribusiness Development Corporation. The Corporation was created for the purpose of spurring the conversion of agriculture into a dynamic growth industry.

To capitalize on these opportunities, your Committee believes that the agribusiness research center will provide leadership as an educational center for the entire Pacific rim. As an international education center, the agribusiness research center will draw participants from other foreign countries, thus enabling Hawaii to tap into the growing and lucrative international educational services market and providing the State's economy with a new revenue resource.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 255 Agriculture, Labor, and Employment on S.B. No. 1370**

The purpose of this bill is to allow nonresident hunters who do not possess state-issued hunting licenses to hunt game birds on private and commercial shooting preserves.

The bill also requires licensed private and commercial operators of game bird shooting preserves to make a quarterly report of statistical information relating to participating nonresident hunters to the Department of Land and Natural Resources (DLNR).

Your Committee finds that the Legislature enacted the Hunter Education Program contained in section 183D-28, Hawaii Revised Statutes (HRS), in an effort to increase the safety, awareness, and proficiency of hunters within the State. The bill as written, would allow any unlicensed nonresident individual to participate in game bird hunting activities within the State.

Although your Committee is cognizant of the concerns that visitors hoping to participate in hunting activities in the State are often frustrated by the requirement of a state-issued hunting license whose issuance is contingent upon the successful completion of the Hunter Education Program, particularly when a portion of these visitors already possess valid hunting licenses from appropriate licensing authorities at their place of residence. However, your Committee believes that such a broad authorization would be counterproductive to the intent of the Hunter Education Program and would create an unsafe hunting environment for both resident and nonresident hunters alike.

Additionally, your Committee finds that although the conditions of the bill require the Department to administer and regulate the proposed program, the Pittman-Robertson Federal Aid in Wildlife Restoration Act, the DLNR's Game Management Program's major funding source, precludes the use of federal moneys for commercial support purposes except for technical assistance. The expenses that the proposed program would incur would not be sufficiently covered by the proposed \$30-per-day fee.

In light of these findings, your Committee has amended the bill by inserting language that:

- (1) Requires nonresident hunters participating in such activities to possess a valid hunting license issued by the nonresident hunter's state or Canadian province of residence;

- (2) Deletes the statutorily established \$1 licensing fee for game bird farms and private and commercial game bird shooting preserves and allows DLNR to set the licensing fee for these operations;
- (3) Replaces the proposed \$30-per-day fee for nonresident hunters with the nonresident hunter fee established pursuant to section 183D-22, HRS; and
- (4) Makes nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1370, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 256 Agriculture, Labor, and Employment on S.B. No. 1496**

The purpose of this bill is to appropriate \$57,516 for fiscal year 1995-1996 to fund the anthurium in-vitro propagation certification and indexing project at the University of Hawaii at Hilo.

Your Committee finds that anthuriums constitute the largest cut flower industry in the State and represent a very large economic base on the island of Hawaii in terms of jobs and revenues generated. Hawaiian anthurium varieties are known in the world market for their quality and durability. Although the industry was decimated in the past decade due to anthurium blight, in recent years, Hawaii has made tremendous gains in coping with the devastation of the anthurium bacterial blight.

Your Committee also finds that protocols for bacterial blight control include the use of clean culture plants, preferably ones that have undergone continuous checks for infection via indexing for the disease. The University of Hawaii at Hilo anthurium in-vitro culture certification and indexing project continues to develop plants free of the bacterial blight pathogen in the most efficient manner available. In order to ensure that tissue culture plants remain disease-free during the production stage, a protocol for a "triple-indexing" system is being designed for use by local anthurium tissue culture laboratories.

Your Committee believes that continued support for the certification greenhouse is imperative in order to evaluate the triple-indexing protocol and to provide the industry with disease-free stock.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 257 Agriculture, Labor, and Employment on S.B. No. 1497**

The purpose of this bill is to appropriate \$40,950 for fiscal year 1995-1996, to fund the University of Hawaii's anthurium breeding and genetic engineering program.

Your Committee finds that anthuriums constitute the largest cut flower industry in the State and represent a very large economic base on the island of Hawaii in terms of jobs and revenues generated. Hawaiian anthurium varieties are known in the world market for their quality and durability. In recent years, Hawaii has made tremendous gains in coping with the devastation of the anthurium bacterial blight.

Your Committee also finds that continued research on breeding new anthurium varieties resistant to blight and other diseases is imperative for the industry to remain competitive in the world market. Because chemical controls are not feasible for bacterial growth, breeding resistant varieties represents the most promising strategy for long-term control. The University of Hawaii's anthurium breeding and genetic engineering program is a preventative program based on the development and evaluation of new cultivars with greater tolerance to the blight.

Your Committee believes that funding the University of Hawaii's anthurium breeding and genetic engineering program will assist the State's anthurium industry succeed in an increasingly competitive world market.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1497 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 258 Agriculture, Labor, and Employment on S.B. No. 1931**

The purpose of this bill is to appropriate \$70,000 for fiscal year 1995-1996, to establish a full-time permanent faculty nursery research position within the University of Hawaii's College of Tropical Agriculture and Human Resources.

Your Committee finds that the State's foliage and nursery industries have experienced significant growth in recent years. These industries show particular promise in the areas of golf course, hotel, residential, and urban horticulture development.

However, while demands for research in the foliage and nursery industries are increasing, there is no one person who is charged with the responsibility to oversee and initiate further research in these industries. The establishment of a faculty member position within the University of Hawaii to conduct research as well as other related responsibilities would support and enhance the development of the foliage and nursery industries in the State.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1931 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 259 (Majority) Consumer Protection on S.B. No. 487**

The purpose of this bill is to add a \$10,000 a day civil penalty for violations of section 486H-10, Hawaii Revised Statutes.

Section 486H-10, Hawaii Revised Statutes, prohibits manufacturers and jobbers from operating service stations. Present law authorizes injunctive suits by the attorney general, or civil suits by persons injured in their property or business by any violation, but provides no civil fine for any violation. Under the bill each day of violation is subject to a \$10,000 fine.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee 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 Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, 1 (Ige). Excused, 3 (Aki, Levin, Anderson).

**SCRep. 260 Consumer Protection on S.B. No. 921**

The purpose of this bill is to provide health insurance coverage for short-term, emergency, or temporary employees in public service who are employed for four consecutive weeks and who have worked at least twenty hours during each of those weeks.

Your Committee finds that Hawaii enjoys the reputation of providing a large percentage of its adult population with health care insurance. This is made possible by the prepaid health care insurance system and the public employees health fund that requires private and public sector employers to contribute to the health insurance premiums of employees who work more than twenty hours a week.

Your Committee also finds that while this system has worked well for most of the employed population, many state and county employees are excluded from enjoying basic health benefits by virtue of their job classifications. Emergency hires for the State are routinely terminated every thirtieth day, thus disqualifying them from health care benefits.

In times of escalating health insurance and medical costs, it is a hardship to be deprived of the benefits of Hawaii's prepaid health care system. At the same time, it is inconsistent for Hawaii to proudly promote its prepaid health care system while depriving a large number of state workers of health benefits.

Your Committee believes that this bill will ameliorate this inequity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921 and recommends that it pass Second Reading and be referred to the Committee on Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Levin, Anderson).

**SCRep. 261 Consumer Protection on S.B. No. 1367**

The purpose of this bill is to increase the monetary penalty for violating the chapter on real estate sales from \$1,000 to \$5,000.

Your Committee finds that the \$1,000 penalty is obsolete with today's prices, especially for home sales.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1367 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Levin).

**SCRep. 262 Consumer Protection on S.B. No. 1381**

The purpose of this bill is to add a new section to chapter 490, article 3, Hawaii Revised Statutes, requiring banks to pay lost, destroyed, or stolen cashier's checks, teller's checks, and certified checks. In particular the bill provides among other things that a claimant may seek payment by:

- (1) Informing the bank that the claimant is the payee or drawer of a certified check, or the payee or remitter of a cashier's check or a teller's check;
- (2) Providing the bank with a declaration that the check was lost, stolen, or destroyed;
- (3) Informing the bank in a timely manner; and
- (4) Providing identification if requested by the bank.

The bill also includes provisions concerning the enforceability of any claim, when claims become due, and the rights of banks paying any claim.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Levin).

**SCRep. 263 Consumer Protection on S.B. No. 1572**

The purpose of this bill is to delete provisions of section 241-4(b), Hawaii Revised Statutes, which provide for allocation and accounting by financial institutions with taxable income both within and without the State. With the repeal of these provisions, financial institutions will more appropriately allocate and apportion their income under the Uniform Division of Income for Tax Purposes Act which is in effect in Hawaii as part II of chapter 235, Hawaii Revised Statutes, and which is followed by most other states.

This is an administration measure submitted by the Department of Taxation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1572 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Levin).

**SCRep. 264 Consumer Protection on S.B. No. 1711**

The purpose of this bill is to create a new statutory chapter on health maintenance organization.

Health maintenance organizations (HMOs) are not presently subject to regulation, unlike mutual benefit societies such as the Hawaii Medical Service Association. Your Committee finds that regulation is proper and necessary, in view of the fact that managed care is becoming more attractive as a cost containment mechanism in health care reform efforts. This is expected to result in an increase in the number of HMOs.

Your Committee finds that it is prudent for the State to have the authority to review the financial soundness of all health insurance providers in the interests of protecting the public health and welfare. This bill provides for financial regulation of HMOs, similar to that required of mutual benefit societies.

Your Committee has made several technical, nonsubstantive amendments. Your Committee has also made an amendment at page 17, lines 3 to 4 of the bill, as received, to allow HMOs ninety days after the effective date of this Act to make a deposit with the commissioner to protect against insolvency. Otherwise, the bill appears to require HMOs to make the deposit on the effective date of this Act.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1711, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Levin).

**SCRep. 265 Consumer Protection on S.B. No. 1712**

The purpose of this bill is to ensure that amendments made in 1994 to the state insurance code become effective as approved by the Governor.

Your Committee finds that Act 190, Session Laws of Hawaii 1994, made certain amendments to the state insurance code to conform with the accreditation requirements of the National Association of Insurance Commissioners. Your Committee further finds that without this measure, the insurance examiner's revolving fund will be eliminated and without such fund the State cannot be accredited.

Your Committee has amended this bill by correcting the effective date to accurately reflect the date on which the Governor approved Act 190.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1712, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Levin).

**SCRep. 266 Consumer Protection on S.B. No. 1716**

The purpose of this bill is to require annual independent audits of domestic mutual benefit societies.

Mutual benefit societies are entities which are organized for the purpose of making payment of benefits in the case of sickness, disability, or death of their members (e.g., HMSA). Moneys to pay for benefits are contributed by members on a regular basis.

Presently, the insurance division's supervision of mutual benefit societies is generally limited to reviewing organizational documents and requiring annual financial reports to be filed. However, due to a recent increase in the establishment of, and enrollment in, mutual benefit societies, your Committee finds that it is in the public interest to increase the financial monitoring of these entities.

Your Committee believes that requiring mutual benefit societies to file annual independent audits, in the same manner as is generally required of all other types of insurance companies, will significantly improve the insurance division's ability to effectively monitor such entities.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1716 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Levin).

**SCRep. 267 Consumer Protection on S.B. No. 1717**

The purpose of this bill is to make the laws pertaining to captive insurers consistent with other provisions in the insurance code.

Specifically, the bill amends section 431:19-107, Hawaii Revised Statutes, to make the annual reporting requirement of captive insurers consistent with the reporting requirements under section 431:3-301, Hawaii Revised Statutes, and to require risk retention captives to meet the annual and quarterly filings with the National Association of Insurance Commissioners. The bill further amends section 431:19-116, Hawaii Revised Statutes, to make the premium tax payment provisions for captive insurers consistent with section 431:7-201, Hawaii Revised Statutes.

This is an administration measure submitted by the Department of Commerce and Consumer Affairs for housekeeping purposes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1717 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Levin).

**SCRep. 268 Consumer Protection on S.B. No. 1753**

The purpose of this bill is to clarify the role of the Regulated Industries Complaints Office (RICO) with regard to client referrals between attorneys and health care providers.

Your Committee finds that under existing statutes, RICO is charged with the responsibility of investigating and disciplining any attorney who unlawfully refers a client to a health care provider. However, RICO's jurisdiction for such activities is limited to those vocations and professions which are licensed through the Department of Commerce and Consumer Affairs. Jurisdiction over attorneys is vested with the Office of Disciplinary Counsel.

Your Committee believes the bill appropriately addresses this jurisdictional ambiguity by having RICO refer any complaints filed against attorneys to the Office of Disciplinary Counsel for investigation and appropriate disciplinary action.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1753 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Levin).

**SCRep. 269 Agriculture, Labor, and Employment on S.B. No. 728.**

The purpose of this bill is to require employers to provide contraceptive services as a part of their group health policy.

Your Committee finds that family planning is an important social issue that requires responsible decisionmaking by an individual. Without proper guidance, individuals may not be able to make an informed decision that may affect the rest of their lives.

Your Committee believes that requiring all health policies to provide contraceptive services will facilitate better family planning on a larger scale.

Your Committee has amended the bill by requiring all health policy contracts to offer contraceptive services.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 728, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 270 Agriculture, Labor, and Employment on S.B. No. 1365**

The purpose of this bill is to establish a coordinating council on language access to develop and implement programs for interpreter and bilingual assistance.

Specifically, the bill requires the council to:

- (1) Develop and implement programs for non-English and limited-English speakers to access state and state-funded programs, including outreach and referral, initial contact, and intake and direct services;
- (2) Coordinate existing resources in a language access plan;
- (3) Identify standards for the certification and training of interpreters;
- (4) Develop language access standards for departments, agencies, and programs which provide state and state-funded services, and develop the training and expertise necessary to meet these standards; and
- (5) Monitor compliance with standards for language access to state and state-funded services.

Your Committee finds that many non-English and limited-English speaking people are denied access to state and state-funded services. Both federal law and basic fairness require the provision of interpreter and bilingual assistance to assure access to these services. Rather than leave each affected department, agency, and program to address this need on its own, it is preferable and more cost-efficient to establish a single entity to develop and provide necessary expertise and services.

Your Committee has amended the bill by lowering the number of representatives on the council from fourteen to nine members and providing the Governor with the flexibility to determine the representation on the council as deemed appropriate.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1365, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 271 Hawaiian Affairs on S.B. No. 1336**

The purpose of this bill is to reauthorize the Hui 'Imi, establish it as the Hui 'Imi advisory council, make it a permanent part of the office of the governor, and appropriate funds for the purpose of staffing the Hui 'Imi advisory council. The Hui 'Imi was created to advise the legislature, the department of Hawaiian home lands, and major private Hawaiian organizations, and to make findings and recommendations concerning the coordination of all public and private services available to Hawaiians in the areas of education, economic development, housing, employment, medical/health, legal, cultural, and social service issues.

Your Committee has amended the bill to follow the recommended amendments of the existing Hui 'Imi advisory council to clarify the Committee's legislative intent.

Specifically, the amendments have:

- (1) Revised the purpose section;

- (2) Placed the Hui 'Imi in the office of the lieutenant governor;
- (3) Stipulated that the Hui 'Imi shall:
  - (A) Serve as a liaison between public and private entities tasked with serving the Hawaiian community;
  - (B) Advise the governor, legislature, the office of Hawaiian affairs, the department of human services, the department of Hawaiian home lands, and major Hawaiian organizations described in the Hui 'Imi Task Force Report; and
  - (C) Submit annual reports to the office of the governor.
- (4) Added a provision that authorizes the lieutenant governor to contract with the Hui 'Imi advisory council to carry out the purpose of the Hui 'Imi advisory council;
- (5) Provided that Hui 'Imi should secure external matching funds from non-Hui 'Imi members as well as in-kind resources; and
- (6) Provided that the office of the lieutenant governor shall expend all sums appropriated for the purpose of this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1336, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Grauly, Levin).

#### **SCRep. 272 Higher Education, Culture, and Arts on S.B. No. 1016**

The purpose of this bill is to establish the University of Hawaii capital improvement special fund.

Specifically, funds shall be used solely to plan, design, acquire lands for, and to construct University of Hawaii school facilities, and to provide equipment and technology infrastructure to improve University departmental facilities and other facilities under the jurisdiction of the board of regents.

Your Committee finds that the capital improvement needs for the University of Hawaii system are staggering. Long overdue campus development programs for Maui Community College and Windward Community College will require significant capital funds for many years.

In addition, an estimated amount of more than \$125 million will be needed to fulfill the requirements of the land dedication that includes the development of the West Oahu campus.

Finally, expansion of Hamilton Library, the only research library in the State, will cost more than \$32 million.

Your Committee believes that the legislature must make a long-term commitment to the development and construction of facilities for the University.

Your Committee has amended the bill to require that 100 per cent of all income collected from fees for tuition and similar charges against students shall be used for this fund. Also, the effective date of the section establishing the fund was changed from upon approval to July 1, 1997, and a sunset date of June 30, 2007, was added.

Your Committee has amended the bill to demonstrate the seriousness of its intent upon the subject matter.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1016, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

#### **SCRep. 273 Higher Education, Culture, and Arts on S.B. No. 1008.**

The purpose of this bill is to reaffirm the State's support for culture and the arts by expanding the permitted use of moneys in the works of art special fund and by appropriating funds for various cultural and arts projects.

Specifically, this bill allows moneys in the works of art special fund to be used for costs related to:

- (1) The development of a culture and arts electronic database to facilitate greater awareness among both the local and tourist populations of various art and cultural activities including sporting, ethnic, and other special events;
- (2) The establishment of performing and visual arts facilities; and
- (3) Art education.

In addition, this bill:

- (1) Appropriates \$250,000 for the statewide electronic database and clearinghouse to be developed by a consortium of various members who are to report on the project to the legislature before the 1996 regular session;
- (2) Appropriates \$150,000 to the city and county of Honolulu's commission on culture and the arts for a feasibility study on developing a performing, media, and visual arts complex including renovation of the Mabel Smythe building as a venue for dramatic performances and poetry readings. The commission is to report findings and recommendations to the legislature before the 1996 regular session;
- (3) Appropriates \$150,000 to the department of accounting and general services to develop a master plan for the Mabel Smythe building for multi-purpose uses including the staging of dramatic performances, poetry readings, and other cultural activities; and
- (4) Appropriates \$200,000 to the department of education, in consultation with various other organizations, to support cultural awareness in the State and art education in the public schools, specifically, to designate arts as an important core subject central to Hawaii's Goals 2000 State Improvement Plan for Education, to fund arts resource specialists, to fund the University of Hawaii college of education for arts courses, and to support in-service courses for teachers seeking to integrate arts into the general school curriculum.

Your Committee finds that it has taken the State a painfully long time to acknowledge the importance of culture and the arts in the life of Hawaii, not only for the well-being of its residents, but also as a vital expression of the State's multi-cultural spirit that should prove invaluable as a means of showcasing our rich diversity as a tourism-based, island economy. The works of art special fund, to which is transferred one per cent of all state capital improvement construction cost appropriations, is to be jealously guarded -- especially in these troubled financial times when programs on both the national and state levels misguidedly deemed non-essential are the first to suffer from the budgetary axe. Your Committee believes that this is not wise. Your Committee, therefore, finds that the specified projects are essential elements in a flourishing multi-cultural, tourism-based, island economy that provide facilities to accommodate the need to perform, exhibit, and sell art works as well as providing vital marketing exposure and integrating culture and the arts into all aspects of Hawaii's educational curriculum.

Accordingly, your Committee has made the following changes to this bill:

- (1) Specified that the consortium to develop the electronic database is to include the Hawaii Visitors Bureau, the state foundation on culture and the arts, the counties' economic development and arts agencies, the University of Hawaii library system, the Hawaii State library system, OLELO: the Corporation for Community Television, and nonprofit or commercial entities and that they are to work collaboratively to develop the database;
- (2) Replaced the city and county of Honolulu's commission on culture and the arts with a consortium to perform the feasibility study for facilities on Oahu for the visual, performing, and dramatic arts and further specifies the membership of the consortium to include representatives of the city and county of Honolulu, the state foundation on culture and the arts, and the Hawaii community development authority who are to work collaboratively to conduct the study. The department of accounting and general services has also been added as the expending agency; and
- (3) Replaced the department of education as the expending agency with the department of accounting and general services, in consultation with the state foundation on culture and the arts, the Hawaii Alliance for Arts Education, the University of Hawaii college of education, and other interested arts organizations, who are to work collaboratively, for the appropriation supporting cultural awareness and art education in the public schools.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1008, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

#### **SCRep. 274 Higher Education, Culture, and Arts on S.B. No. 1467**

The purpose of the bill is to establish the technology infrastructure revolving fund to be used solely to plan, design, and provide equipment for the improvement of technology infrastructure within the university.

The fund would provide funds to modernize university infrastructure with new technology offered by research advancement in audio, video, communications, information, and computer systems.

Rather than establishing two separate funds with similar objectives and legislative intent, your Committee has decided to replace the existing systemwide computer services special fund for the University of Hawaii systemwide consortium to establish the systemwide information technology services special fund.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1467, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 275 Higher Education, Culture, and Arts on S.B. No. 1908**

The purpose of this bill is to exempt the requirement that fifty per cent of the total amount of indirect overhead funds generated by the University of Hawaii for research and training purposes be placed in the research and training revolving fund.

Your Committee finds that the legislature has provided outstanding support for research activity at the University of Hawaii. Your Committee further finds that the present level of general fund support for research at the University of Hawaii is higher than at many comparable institutions. Given the current economic condition of the State, your Committee believes that organized research units should be encouraged to become self-supporting, which would then allow reallocation of general funds to support instructional programs.

Upon further consideration, your Committee has amended this bill to clarify that organized research units which do not receive general funds for direct costs may retain one hundred per cent of the indirect overhead funds which they generate.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1908, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1908, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 276 Higher Education, Culture, and Arts on S.B. No. 1920**

The purpose of this bill, as received by your Committee, is to establish the Waikiki aquarium and marine research center to be administratively attached to the University of Hawaii.

Your Committee finds that the Waikiki aquarium is a unique attraction which displays marine life for educational and recreational purposes to be enjoyed by visitors and residents alike. Additionally, the Waikiki aquarium, although officially assigned to the University of Hawaii, has been operating for many years as a quasi-private attraction with the assistance of the Friends of the Waikiki Aquarium, a private non-profit organization established solely to provide financial and management support for the Waikiki aquarium. Your Committee further finds that through this measure, the Waikiki aquarium is moving towards becoming a self-supporting entity, yet it must continue to receive state support through University of Hawaii positions assigned to the Waikiki aquarium until sufficient revenues are generated to support private staffing of the aquarium.

Upon further consideration of this measure, your Committee is concerned that the current language does not provide sufficient authority to the University of Hawaii to contract out the management of the Waikiki aquarium. Your Committee is also concerned about the appropriateness of giving official standing to the Friends of the Waikiki Aquarium in the statutes, since it is not a state created entity. Thus, your Committee has amended this bill by:

- (1) Designating the Waikiki Aquarium as the official state aquarium;
- (2) Allowing the University of Hawaii to contract with a private, non-profit entity, whose sole purpose is to manage and improve the state aquarium;
- (3) Requiring the university, within two years of contracting with a private non-profit entity, to offer to any state employee assigned to the aquarium two reasonable offers to transfer to another university department or unit and to retain the employee's current status;
- (4) Providing that if any state employee assigned to the aquarium vacates the position, the position and funding may be transferred to another department or unit within the university;
- (5) Retaining board of regents control over the aquarium site;
- (6) Repealing the board of regents authority to set admission fees; and
- (7) Providing a transition clause that current management arrangements with the research corporation of the University of Hawaii and the University of Hawaii foundation shall continue until a new management arrangement is approved by the board or regents, or until June 30, 1997, whichever occurs earlier.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1920, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 277 Human Services on S.B. No. 90**

The purpose of this bill is to provide funds for the operation of a hostel program and a drop-in center for the chronically homeless, mentally ill and for the expansion of clinic facilities for them.

Your Committee finds that while government funding exists for residential programs (such as the Safe Haven project) for the chronically homeless, mentally ill, there is no funding for intake and temporary facilities and programs for them. Yet, it is critical to reach this population early, and many of them are suspicious of government assistance.

It is the intent of your Committee that this project be funded from the judiciary's budget because of the aspect of early intervention to avert criminal behavior and thereby avert prison, which is inappropriate for them. They may commit crimes out of necessity rather than design. What they need is treatment, not punishment.

Your Committee received supporting testimony from the Department of Public Safety, the Department of Health, and the Corrections Population Management Commission.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 90 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 278 Human Services on S.B. No. 423**

The purpose of this bill is to appropriate unspecified funds on a matching basis from private contributions for the expansion of the Head Start Program.

The Head Start Program is a federally funded preschool program for low-income children and their families to provide Hawaii's youngsters with educational opportunities that will ultimately enhance the ability of pre-kindergarten children to learn, adapt, and succeed in school. However, due to the success of the program, enrollment is at capacity and large number of children are being turned away. Many of these children are from non-English-speaking homes.

Your Committee finds that continued support for the Head Start Program is vital to the physical, emotional, and educational development of Hawaii's children.

It is the intent of your Committee that the dollar-for-dollar funding be gradually phased-in, due to the State's current financial constraints.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 423 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 279 (Joint) Human Services and Judiciary on S.B. No. 1950**

The purpose of this bill is to appropriate funds for the Office of Youth Services to provide youth services through purchase of services agreements.

The executive budget for the 1995-1997 biennium reduced the budget of the Office of Youth Services. Your Committees find that this reduction comes at a time when new youth gang activity, including acts of violence, is on the rise. This demonstrates to your Committees that the youth gang problem in Hawaii needs more attention and resources. Statistics gathered by the Youth Gang Project of the University of Hawaii indicate that arrests of youth climbed 78.7 per cent in Hawaii during the last decade (1983-1994). Nationally, the increase was 17.4 per cent during a comparable period (1983-1992).

The Office of Youth Services coordinates multi-agency, community-based youth programs and provides alternative recreation programs for youths to counter the temptation to join youth gangs. Among the agencies the Office works with are the Honolulu Police Department and the Department of Parks and Recreation of the City and County of Honolulu.

Your Committees have amended this bill to increase the appropriation from \$2,000,000 to \$2,150,000 for fiscal year 1996-1997.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1950, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Ihara, Matsunaga, Anderson).

**SCRep. 280 (Joint) Agriculture, Labor, and Employment and Higher Education, Culture, and Arts on S.B. No. 357**

The purpose of this bill is to appropriate \$600,000 for the 1995-1997 fiscal biennium for the University of Hawaii's College of Tropical Agriculture and Human Resources to conduct pesticide testing and registration.

Your Committees find that pesticides are an important factor of agricultural production in Hawaii. By law, pesticides must be registered and approved for use on various crops before they can be utilized. Many industry analyses recognize

this pesticide registration process as a major bottleneck in the production of commodities. Unfortunately, because of the small size and unique nature of Hawaii's agricultural industry, nearly all of Hawaii's agricultural commodities are considered "minor crops".

Your Committees also find that pesticide manufacturers are reluctant to register their products for use on minor crops, because the exorbitant cost of generating the required pesticide environmental data often outweighs the profits from potential sales.

Your Committees further find that there is an on-going project being conducted by the University of Hawaii's college of tropical agriculture and human resources for pesticide testing and registration. However, in order to continue this project, additional funding is needed.

Your Committees have amended the bill by adding the Hawaiian Sugar Planters' Association as a participant in the pesticide testing and registration project.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Higher Education, Culture, and Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 357, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 357, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Ikeda, McCartney, Anderson).

#### **SCRep. 281 Consumer Protection on S.B. No. 562**

The purpose of this bill is to create a criminal offense of ticket scalping.

Ticket scalping, or the practice of buying tickets in advance for an event expected to be a sell out and then reselling those tickets for more than they were purchased, is becoming increasingly popular in Hawaii, especially for athletic events. Your Committee finds that criminal regulation is necessary to prohibit and deter this unscrupulous and exploitative practice which victimizes the general public to the financial benefit of greedy and unconscionable individuals.

Your Committee has amended this bill upon the recommendation of the University of Hawaii Athletics Department to add that resales of tickets are prohibited on the premises of the event or where the ticket was originally sold.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 562, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Aki).

#### **SCRep. 282 Consumer Protection on S.B. No. 806**

The purpose of this bill is to provide an exception to tort liability for injuries sustained during the course of training programs conducted by businesses or persons engaged in providing training to students or faculty as part of a joint state and private sector vocational or technical training program.

The bill provides that there is liability for gross negligence or wanton acts or omissions.

Your Committee finds that this bill would promote joint training programs by shielding the private sector from liability for personal injuries sustained by participants.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 806 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Levin).

#### **SCRep. 283 Consumer Protection on S.B. No. 949**

The purpose of this bill is to enact the Uniform Money Transmitters Act.

The bill provides for the licensing, regulation, reporting requirements, and prohibited practices of money transmitters.

Money transmitters are in the business mainly of check cashing and foreign money exchange. They also sell money orders, travelers checks, or engage in other similar transactions involving the transmittal or the exchange of money. They are not regulated under present law. The problem is the potential for criminal activity involving consumer fraud and money laundering, according to testimony of the Honolulu Police Department.

Your Committee finds that money transmitters have the potential for becoming involved, knowingly or not, in criminal activity involving theft, forgery, drug sale, or other illicit acts. Persons committing these offenses are able to exchange their ill-gotten goods for money orders or cash. Because money transmitters are unregulated, they are not required to keep financial records of their transactions. This is a hindrance to investigating paper trail type crimes which require

good documentation to effectively prosecute. Currently, Hawaii is only one of eight states in the nation that does not have any form of money transmittal regulation.

Your Committee has amended this bill by deleting its contents and inserting the Uniform Money Transmittal Act, approved by the Money Transmittal Regulators Association. Your Committee has also made changes as recommended by the Department of the Prosecuting Attorney of the City and County of Honolulu to:

- (1) Require quarterly reports instead of annual reports;
- (2) Permit on-site examinations at will of the insurance commissioner rather than upon forty-five days notice; and
- (3) Require the licensee to make a good faith effort to verify the identity of the customer and record the type of identification.

Your Committee has also made technical, nonsubstantive amendments for clarity and proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 949, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Levin, Anderson).

#### **SCRep. 284 Consumer Protection on S.B. No. 1116**

The purpose of this bill is to set forth the circumstances in which a manufacturer or product seller is liable for injuries caused by its product. In general, under this bill a manufacturer is liable for construction defects, design defects and failure to provide adequate warnings or instructions. A manufacturer or seller is also liable for breach of express warranty. This bill also provides that a person does not have a right to damages if the person knew that there was a risk of personal injury and proceeded voluntarily to expose himself to that risk.

This bill also provides that a manufacturer should not have to warn about dangers that are open and obvious to consumers, and that warnings and instructions accompanying a product will be deemed adequate if they comply with state and federal requirements governing the format and text of the warning. Further, a manufacturer is not liable under this bill in a design defect action unless the plaintiff shows that there was a feasible and practical design alternative available at the time of manufacture that would have prevented the injury. In addition, this bill provides that a product is not deemed defective if the harm was caused by an inherent characteristic of the product that would be recognized as unsafe by the ordinary consumer.

Your Committee finds that in light of several recent products liability court decisions, there currently exists some confusion concerning the scope of product manufacturers' and sellers' obligations in Hawaii. Consequently, your Committee believes that this bill is necessary in order to provide clarity, balance, and fairness in this important area of the law.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1116 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Levin, Anderson).

#### **SCRep. 285 (Majority) Consumer Protection on S.B. No. 1233**

The purpose of this bill is to create a new statutory chapter for the regulation of health maintenance organizations.

Health maintenance organizations (HMOs) are not presently subject to regulation, unlike mutual benefit societies such as the Hawaii Medical Service Association. Your Committee finds that regulation is proper and necessary, in view of the fact that managed care is becoming more attractive as a cost containment mechanism in health care reform efforts. This is expected to result in an increase in the number of HMOs.

Your Committee finds that it is prudent for the State to review the financial soundness of all health insurance providers in the interest of protecting the public health and welfare. This bill provides for the financial regulation of HMOs.

Your Committee has made several amendments as follows:

- (1) On recommendation of the Insurance Commissioner, made section 2 effective on January 1, 1996 since independent contracts are subject to procurement laws;
- (2) Made the entire Act effective on January 1, 1996 rather than on July 1, 1996, for consistency;
- (3) Added in section -8(b)(2) of the new chapter that HMOs have ninety days from the effective date of this Act to make the deposit with the insurance commissioner to protect against insolvency;
- (4) Clarified the applicability of the bill to mutual benefit societies by adding a new section at the end of the new chapter; and

- (5) Made technical, nonsubstantive amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1233, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, 1 (Ige). Excused, 3 (Aki, Levin, Anderson).

**SCRep. 286 Consumer Protection on S.B. No. 1760**

The purpose of this bill is to make the Medical Claims Conciliation Panel (MCCP) and the Design Professional Conciliation Panel (DPCP) more fiscally self-sufficient.

The bill accomplishes this by establishing nonrefundable filing fees for the MCCP and DPCP programs to help defray the administrative costs associated with the programs and reducing the amounts paid to each MCCP and DPCP panelist from \$300 to \$150.

Your Committee finds that under existing law, MCCP panelists are paid with general funds, while DPCP panelists are paid from funds deposited by the parties to DPCP claims. Additionally, the Department of Commerce and Consumer Affairs bears all the costs of the MCCP and DPCP programs, including administrative costs, secretarial support, copying costs, postage, travel, and other panel expenses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1760 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Levin).

**SCRep. 287 Judiciary on S.B. No. 82**

The purpose of the bill is to provide a comprehensive schedule of alternatives to traditional incarceration that do not compromise public safety.

Your Committee believes that the provisions of the bill provide an essential and realistic step towards a permanent solution that will enable Hawaii to meet its current corrections management policy needs, prevent future costly litigation, and allow the department of public safety to operate the correctional facilities in an effective manner.

Your Committee finds that the bill will allow the alternative incarceration programs, developed through the collaboration and cooperation of representatives from all three branches of government and various criminal justice agencies, to assist in controlling the inmate population at all of the State's correctional facilities. Your Committee also finds that correctional programs need to be adequately funded in order to protect the public, alleviate overcrowding, and provide treatment programs that will do more to prepare inmates for a successful return to our community.

Your Committee commends the many efforts that have brought about the enactment of "no-nonsense" sentencing laws to curb the commission of drug and sex-related offenses. Prudent social policy demands a solid standard of accountability for criminal behavior. However, your Committee finds that expedient measures have not been taken to counteract the escalating problem of overcrowded prison facilities.

Your Committee is well aware that prison overcrowding led to the 1985 American Civil Liberties Union's legal action against the State of Hawaii which resulted in a consent decree governing conditions at the Oahu Community Correctional Center and the Women's Community Correctional Center.

Your Committee and the public at large are alarmed and concerned with the current overcrowding in the State's correctional facilities because it results in correction management that may be unduly influenced by head-counts rather than time served and rehabilitation. Testimony received from the department of public safety indicates that prisoners are being released into the community without supervision or continuous treatment at approximately the same rate that persons are being brought in for traditional incarceration. This disturbing fact is a direct result of having more persons committed or detained in correctional facilities than current bedspace can accommodate.

Your Committee finds that the only other alternatives available are either continuing to release prisoners into the community without supervision or appropriating funds for new prison facilities. Releasing unsupervised prisoners would continue to jeopardize public safety and increase recidivism while constructing new prison facilities would require appropriation requests which would exceed the current appropriations request and be difficult to acquire in light of the State's current fiscal dilemma.

Your Committee further finds that the provisions of the intermediate and integrated sanctions program of this bill, placed alongside existing statutes governing crime, will enhance the balance between crime and community without undermining the promotion of public safety throughout the community.

Your Committee amended the bill by inserting language which adds a new section to Chapter 353, Hawaii Revised Statutes, regarding intermediate sanctions eligibility. Your Committee finds that an intermediate sanctions program will assist defendants and offenders with reintegration into the community and lessen the likelihood of producing repeat

offenders. Your Committee also amended the bill by adding a new section to Chapter 706, Hawaii Revised Statutes, relating to intermediate sanctions.

Your Committee also amended the bill by adding language to Chapter 804-7.1, Hawaii Revised Statutes, regarding intermediate sanctions. Your Committee finds that the court may order a defendant to report to an intermediate sanctions program.

Your Committee has further amended the bill by deleting \$525,000 for the operation of a boot camp. It was apparent that operating costs would not be necessary until the boot camp is constructed.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 82, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### SCRep. 288 Judiciary on S.B. No. 111

The purpose of this bill is to allow for clearer enforcement of the law regulating lobbyists.

Specifically, this bill:

- (1) Removes language allowing the state ethics commission to enforce the lobbyist law from chapter 84, Hawaii Revised Statutes (the ethics law) and places it in chapter 97, Hawaii Revised Statutes (relating to lobbyists);
- (2) Redefines the term "lobbyist" as one who lobbies on five or more occasions rather than one who lobbies more than five hours in any month and clarifies the term "lobbying" as an attempt to influence a ballot issue as well as legislative or administrative action;
- (3) Requires an additional third statement of lobbying expenditures to be filed with the ethics commission on July 31 to cover the period from March 1 through June 30, resulting in three reporting periods of differing duration: January through February covered by the March 31 report; March through June covered by the July 31 report; and July through December covered by the January 31 report;
- (4) Exempts intrastate travel costs from the \$275 limit in any reporting period;
- (5) Authorizes the ethics commission to investigate on its own initiative rather than waiting to receive a verified complaint, but on a confidential basis;
- (6) Clarifies the ethics commission's powers and duties to administer the lobbyists law; and
- (7) Exempts lobbyists from filing the July 31, 1995 report.

Your Committee received testimony in support of the bill from the state ethics commission and Oahu Democratic Party. Testimony was also received from lobbyist G.A. "Red" Morris, warning that the five occasion rule may trigger unintended consequences.

Your Committee finds that this bill will strengthen the ethics commission's role in administering and enforcing the lobbyists law. However, your Committee believes that the change from lobbying more than five hours to more than five occasions would result in inadvertently classifying a great number of people as lobbyists who, in fact, conduct a minimal amount of lobbying. Although your Committee agrees with exempting intrastate travel costs from the \$275 spending threshold that classifies lobbyists, that amount should be considered for each reporting period rather than for any six-month period. Furthermore, your Committee finds that the additional third report on lobbying expenditures due on July 31 will come too late. Finally, your Committee believes that it is necessary to strengthen the bill by including a provision for the levying of administrative fines by the commission in addition to the existing misdemeanor penalty. In relation to the assessment of administrative fines, your Committee also believes a provision for contested case hearings is needed.

Accordingly, your Committee has amended this bill by:

- (1) Retaining the original five hour guideline and disposing of the five occasion rule;
- (2) Clarifying that the \$275 spending threshold applies to any month of a reporting period and not any six-month period;
- (3) Requiring an earlier third additional report on May 31, rather than July 31, resulting in three reporting periods of two, two, and eight months as follows: January to February covered by the March 31 report; March to April covered by the new May 31 report; and May to December covered by the January 31 report;
- (4) Adding a section amending section 97-7, Hawaii Revised Statutes, to provide for administrative fines; and
- (5) Adding a new section to chapter 97, Hawaii Revised Statutes, to provide for contested case hearings.

Your Committee also made technical, nonsubstantive amendments for the purposes of clarity and style, including necessary renumbering of the sections of the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 111, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 289 Judiciary on S.B. No. 114**

The purpose of the bill, as received by your Committee, is to amend the campaign spending statute to provide for a full-time executive director of the campaign spending commission, to amend the confidentiality provision regarding complaints and proceedings before the commission, and to appropriate funds for the executive director position and an additional investigator.

Testimony in support of the measure was submitted by the campaign spending commission, the Democratic Party of Hawaii, and Common Cause of Hawaii.

With regard to the creation of a full-time executive director, your Committee is well aware that the demands placed on the commission have required a full-time commitment by the current and previous directors. Moreover, the reforms to the campaign spending laws contemplated in other pending legislation will necessitate the use of a full-time director.

Upon further consideration, your Committee has amended the bill to delete the provision which requires that complaints and all proceedings before the commission be confidential unless the commission finds probable cause. Your Committee is aware that the ninth circuit court of the United States has found that the entire confidentiality provision under Hawaii law on campaign spending is unconstitutional on its face.

Your Committee heard a companion bill at the same time, S.B. 946, which sought funding to develop and improve the commission's computer network. The funding would be used for software development and the purchase of hardware which would allow the candidates and committees to transmit their reports by modem or by bringing in their diskette. The system would also allow the public immediate access to the spending records as well as allowing the commission to monitor reports and analyze data much quicker.

After careful consideration, your Committee has amended the bill by deleting the section regarding confidentiality and by inserting the appropriation request of S.B. 946. The Committee has also amended the bill to recommend \$70,000 for the additional investigator and executive director.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 114, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Tam).

**SCRep. 290 Judiciary on S.B. No. 328**

The purpose of the bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the judiciary for the 1993-1995 fiscal biennium.

Your Committee finds that the combination of slow economic growth and the State's current budget shortfall have made meeting the judiciary needs a tremendous challenge.

Due to these circumstances, your Committee did not amend the bill to provide any additional funds requested by the judiciary. Your Committee wishes to go on record that it remains skeptical and concerned about the broad authorization given to the judiciary to transfer funds between programs.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 328 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 291 Judiciary on S.B. No. 336**

The purpose of the bill is to ensure the solvency of the driver education and training fund.

The bill increases the fines for each violation conviction under section 286G-3, Hawaii Revised Statutes, from \$5 to \$8, provides for an additional assessment of \$150 from convicted drunk drivers which will be deposited into the driver education and training fund (DETF), increases the driver education underwriters' fee from \$2 to \$3, and accelerates the fee deposit schedule by providing for quarterly, rather than annual, deposits of fees collected into DETF. The bill also authorizes the judiciary to request general funds in the event that revenue shortfalls are experienced by the driver education and training fund.

Testimony in support of the bill was received from the judiciary and MADD. Your Committee wishes to point out that as a result of the enactment of Act 280 (1993) and the subsequent transfer of \$1 million from the DETF to the general fund, the DETF is now operating on a year to year basis, and dependant on current cash receipts. Your Committee finds that unless this measure is adopted, the state driver's education program may become insolvent.

Several amendments to the Hawaii Revised Statutes are proposed in the bill to address the revenue shortfalls. The first is to amend section 286G-2, HRS, to authorize the judiciary to request state general fund appropriations for driver education and training purposes. To minimize the use of state general funds, the proposed language requires the maximum use of DETF special funds while at the same time ensuring that excess general fund appropriations are lapsed back to the state general fund. The second proposal amends section 286G-3, HRS, to increase the assessment penalty for each violation conviction from \$5 to \$8, an increase which would result in the collection and deposit of approximately \$250,000 to the DETF.

The bill also provides for a fine of \$150 for a drunk driving conviction which would result in an estimated collection of \$450,000, annually, to the DETF. Your Committee wishes to make clear that this \$150 fine is in addition to any other fine imposed. Finally, the bill amends section 431:10C-115, HRS, to increase the underwriters fee assessed annually on each insured motor vehicle, from \$2 to \$3.

Your Committee recognizes the importance of the existence and viability of the DETF. Traffic fatalities and accidents caused as a result of individuals driving under the influence demonstrate the need for more education about alcohol and driving. Your Committee finds that sufficient funding is necessary to continue the driver education program, and therefore, recommends passage of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 336 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Tam, Anderson).

#### **SCRep. 292     Judiciary on S.B. No. 773**

The purpose of this bill is to implement and give effect to the recommendations in the auditor's 1994 report entitled: Audit of the Judiciary's Management of its Resources.

According to the auditor, the judiciary has purposefully disregarded budgetary and management practices established by the legislature. For example, although section 601-3, Hawaii Revised Statutes, prohibits the administrative director of the courts from holding any other office or employment, the current administrative director is also a circuit court judge. Your Committee received testimony on this bill from the administrative director of the courts, who stated orally that most of his time was spent administering to the needs of the judiciary rather than sitting at the bench.

Although well-intentioned, the duality of the current administrative director of the courts benefits neither the judiciary nor the bench; and does little to benefit the taxpayers, who expect the State's limited resources to be used in both an efficient and effective manner. This duality has also had unanticipated, adverse effects on the filling of judicial vacancies as per diem district judges are substituting for absent district court judges, who are, in turn, substituting for absent circuit court judges. Although unintentional, this duality has also allowed the current administrative director of the courts to accrue retirement benefits at a higher rate than the benefits would accrue if the administrative director were not also a circuit court judge. While your Committee believes that the current administrative director of the courts is a capable administrator, it does not believe that the interest of the taxpayers are being protected by the judiciary as a result of this appointment. Further, the duality of roles in this instance is in violation of legislative intent.

Your Committee believes that additional opportunities are needed to discuss the auditor's report and review the testimony submitted by the administrative director of the courts, both of which address matters of the utmost importance to the legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Tam, Anderson).

#### **SCRep. 293     Judiciary on S.B. No. 1211**

The purpose of this bill is to curb the amount of waste and abuse in overtime hours taken for security staffing within the department of public safety.

Specifically, this bill authorizes a pilot project to test the proposed shift relief factor of 1.88 per cent, as recommended by the auditor, at the Oahu Community Correctional Center (OCCC). In doing so, the bill appropriates a blank amount to the department and requires it to:

- (1) Identify the base to which the factor is to be applied;
- (2) Project and justify the amount of normally expected or unavoidable overtime for fiscal year 1995-1996;

- (3) Set a limit against excessive overtime or a target for overtime savings at the OCCC;
- (4) Closely monitor the project's performance; and
- (5) Report findings and recommendations to the legislature prior to the 1996 regular session.

Your Committee received testimony from the director of public safety in strong support of this bill.

Your Committee firmly believes that the root causes of the ever-increasing amount of overtime in the department of public safety are varied and complex. One structural cause may perhaps be found in the increase over the years in various types of authorized leaves, including family, personal, military, administrative, parent-teacher, and training leaves which, in turn, require overtime work to maintain adequate security staffing. However, your Committee also believes that much responsibility for excessive and costly overtime must be placed at the senior management level. As the auditor recommended, management must exercise appropriate control over the process of authorizing overtime staffing including establishing a reliable shift relief factor and establishing control over sick leave and other lost time.

Your Committee finds that funding the testing of the proposed shift relief factor of 1.88 per cent at the OCCC as a pilot project is needed as a first step in curbing excessive and wasteful overtime security staffing in the department of public safety.

According to testimony from the director of public safety, \$1,276,000 is needed for an additional fifty-two temporary adult correctional officer positions (to be filled by emergency hires) to implement the pilot project for one year. In contrast, overtime costs under the existing system are projected at \$3,367,666.

Accordingly, your Committee has amended this bill by replacing the blank appropriation amount with an appropriation of \$1,276,000, and made July 1, 1995 the effective date of the appropriation. In addition, amendments were made reflecting benchmarks projected by the department of public safety, with an estimated 70 per cent reduction in overtime expenditures expected in 1995. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1211, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

#### **SCRep. 294 (Majority) Judiciary on S.B. No. 1214**

The purpose of the bill is to establish a fee for a permit to acquire a firearm to offset the cost to the county police departments for the processing of the permit applications.

Your Committee received testimony in support of the bill from the Honolulu police department, the commission on the status of women, the Oahu Green Party and the Hawaii Firearms Coalition. Testimony in opposition of the bill was submitted by the Hawaii Rifle Association (HRA), Lady Instructors of Firearm Education (LIFE) and several interested citizens.

Your Committee strongly disagrees with the points raised by the HRA, which are that the fee is a tax and that the \$24 fee charged by the Federal Bureau of Investigation (FBI) continues to be waived for the background checks required in the processing of firearms permits. The fee contemplated in this bill is intended to cover the cost of processing the application for a permit and not intended as a revenue generator. Testimony from the HPD indicated that the FBI began charging the \$24 fee effective October, 1994. The HPD estimates the direct cost of fingerprinting and related costs to be \$225,000 annually.

Your Committee also takes issue with the assertion that the existing law prohibits the use of a fee for a firearm permit. Your Committee finds that the Proceedings from the 1950 Constitutional Convention clearly indicates that it was the intent of the 1950 constitutional convention to permit the legislature to impose reasonable restrictions on the right to bear arms, including the absolute prohibition of certain lethal weapons. Your Committee finds that imposing a \$35 fee upon an initial permit and a \$10 fee on all subsequent applications to acquire a firearm is a reasonable fee for the regulation of firearms use in our State.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1214 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, 1 (McCartney). Excused, 2 (Matsuura, Tam).

#### **SCRep. 295 Judiciary on S.B. No. 1331**

The purpose of this bill is to establish an office of elections separate from the office of the lieutenant governor, to administer all elections in our State and to provide that the lieutenant governor shall exercise duties as may be assigned by the governor.

This new office will perform the functions currently exercised by the lieutenant governor, the general administrator of the elections division, and the director of elections. Your Committee received testimony in support of this bill from the lieutenant governor describing however the similarities between the administration's measure, S.B. No. 1621, and this bill. She suggested amendments more closely following the language in S.B. No. 1621.

Your Committee has therefore amended this bill by:

- (1) Adding a findings and purpose section;
- (2) Clarifying that the term of office of the chief election officer shall begin not on June 30, 1996, but ninety days following the appointment by the elections appointment panel or on February 1, 1996, whichever comes first;
- (3) Requiring that transfer of functions and authority from the lieutenant governor to the chief election officer be effective upon the commencement of the term of the first chief election officer instead of on June 30, 1996;
- (4) Providing for removal of the chief election officer by the election appointment panel for any cause, rather than by the governor with advice and consent of the senate;
- (5) Rewriting the language regarding other duties the governor may identify for the lieutenant governor by providing that the lieutenant governor shall exercise such duties as may be assigned by the governor;
- (6) Appropriating \$5,000 for fiscal year 1995-1996 and deleting the appropriation for 1996-1997; and
- (7) Making other conforming changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1331, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

#### **SCRep. 296 Judiciary on S.B. No. 1490**

The purpose of the bill is to appropriate \$370,000 for a grant-in-aid to the judiciary for domestic violence assistance services.

Your Committee believes that, due to the increasing number of domestic violence cases in Hawaii, services relating to domestic abuse are greatly needed. Your Committee recognizes that federal funds for such services ceased in May, 1994. The 1993 domestic violence report produced by the commission on the status of women revealed that 20 per cent of women over 18 years of age in Hawaii are victims of this crime. Your Committee finds that this funding is necessary to continue assisting victims of domestic violence in our state.

Testimony from thirteen organizations and individuals was given in support of the bill and reflect the importance and need for domestic violence services. Domestic violence must be addressed through intervention, counseling, education, advocacy and legal representation programs, as called for in this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1490 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsuura, Tam).

#### **SCRep. 297 Judiciary on S.B. No. 1573**

The purpose of the bill, as received by your Committee, is to simplify all references in Chapter 231, HRS. to the tax chapters administered by the department of taxation, and to require that the director of taxation and the director of labor and industrial relations be named as party defendants in certain civil actions.

Your Committee finds that, when chapters are added or deleted to the tax code, the department of taxation must persuade the legislature to enact minor and tedious amendments throughout Title 14. Your Committee is aware that, since 1982, seven amendments have been made to twelve sections of Chapter 231, as a result of changes in chapter numbers due to measures repealing or establishing new chapters in Title 14.

Your Committee amended the bill as recommended by the Tax Foundation of Hawaii, to refer specifically to "Title 14 administered by the department of taxation". Your Committee further amended the bill to delete the provision which would require the naming of the director of taxation or of labor and industrial relations as a party defendant in certain civil suits because your Committee believes that the title of the bill was too narrow to encompass this provision.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1573, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 298     Judiciary on S.B. No. 1576**

The purpose of the bill is to consolidate the criminal tax penalties under title 14 by repealing each penalty section throughout title 14 and setting forth the criminal tax penalties applicable to all state taxes administered by the department of taxation in chapter 231.

Your Committee is aware that stiffer penalties are necessary to deter persons from intentionally evading taxes, failing to file tax returns, and filing false or fraudulent returns. Your Committee finds that providing a uniform standard of conduct and burden of proof for promoting tax compliance will provide appropriate emphasis and support for the criminal enforcement of the state tax laws. The bill incorporates penalty provisions similar to those contained in the Internal Revenue code, because of the successful prosecutions brought under the federal tax laws.

Testimony presented by the public defender included a concern regarding the interpretation of key terms used by the department of taxation in the bill, as the same terms are used with different meanings in the penal code. To clarify the terms' definitions, your Committee amended the bill to specify that words shall be construed in accordance with interpretations of similar provisions of title 26.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1576, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 299     Judiciary on S.B. No. 1588**

The purpose of the bill is to appropriate \$1,218,555.29 to the criminal injuries compensation fund to compensate persons and their service providers, as determined by the criminal injuries compensation commission.

Your Committee believes that it is just and fair to provide compensation for victims of crime. Specifically, victims of crime are:

- (1) Victims of certain crimes;
- (2) Persons who have suffered loss or incurred hospital, medical, funeral, or burial expenses as a result of a victim's injury or death;
- (3) Persons who are dependents of a deceased victim;
- (4) Private citizens (good Samaritans) who suffer personal injury or property damage in the course of preventing a crime; and
- (5) Private citizens who assist in apprehending a criminal.

Your Committee finds that, pursuant to chapter 351, Hawaii Revised Statutes, the criminal injuries compensation commission is charged with determining the appropriate compensation for victims of crime.

Your Committee further finds that this bill appropriates funds out of the general revenues of the State based upon the total amount of compensation awarded during the period of July 1, 1993, to June 30, 1994, according to the commission's annual report. Testimony by the criminal injuries compensation commission indicated that an average of \$1,600 was awarded to approximately seven hundred thirty-five applicants over the current fiscal year.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1588 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

**SCRep. 300     Judiciary on S.B. No. 1589**

The purpose of the bill, as received by your Committee, is to provide that the court may order restitution to the criminal injuries compensation commission in the event the victim has been given an award by the commission.

Currently, the commission receives some funds from restitution. However, the law as written is ambiguous as to the commission's authority to receive restitution directly from the courts. The bill resolves this by providing that the court may order restitution to be paid to the commission.

Testimony in support of the measure was received by your Committee from the criminal injuries compensation commission and the Honolulu prosecuting attorney.

Your Committee finds that the importance of restitution in restoring the victim economically, as well as the attempt to compel the defendant to make amends and take responsibility for his actions, cannot be overemphasized. Your Committee believes that it is appropriate to require that convicted defendants reimburse the criminal injuries compensation commission directly if a victim has been given an award by the commission.

Upon further review, your Committee finds that the bill, as introduced, permits the court to order restitution to the commission in the event the victim has applied for compensation. Your Committee recognizes that a victim's application for compensation provides no guarantee that the victim will be given an award, and therefore, restitution may be premature on this point. Your Committee has therefore amended the bill permit the court to order restitution to the commission after the victim has been given an award by the commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1589, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

#### **SCRep. 301      Judiciary on S.B. No. 1590**

The purpose of this bill, as received by your Committee, is to amend the criminal injuries compensation law with respect to commission procedures and eligibility for compensation.

Your Committee has amended this bill by amending the definition of "relative" in section 351-2, Hawaii Revised Statutes (HRS), to include half siblings, which had been deleted from that definition by the original version of the bill.

Your Committee has further amended this bill by amending section 351-13(c), HRS, to: (1) delete paragraph (3) of that subsection, which would have allowed the commission to assign cases to the administrator for determination of eligibility if the applicant fails to make a selection on the method of decision making; and (2) delete the word "may" and insert the word "shall" in the first line of that subsection, to make the assignment of cases in these circumstances mandatory rather than permissive. Your Committee notes that the commission is composed of three members, each of whom serves a four-year term, whereas the administrator is a permanent civil service position. Requiring, rather than allowing, the commission to assign these cases to the administrator will assure continuity and efficiency in processing these cases.

Your Committee has further amended the bill by amending section 351-13(d), HRS, to require applicants to obtain a determination of eligibility from the administrator before appealing to the commission for a hearing in order to further expedite the process of determining eligibility for compensation. In this way, your Committee believes that applicants will make more efficient use of existing administrative remedies before utilizing the commission's limited time and resources, thereby further reducing the processing time for applicants to be notified of their eligibility and receive their compensation awards.

Your Committee has further amended this bill by amending sections 351-33 and 351-52, HRS, to: (1) limit the payment of compensation for expenses actually and reasonably incurred to those incurred during the period of the victim's injury or death, or a private citizen's injury; (2) eliminate compensation to the victim or private citizen for pain and suffering and lost earning power; and (3) eliminate compensation to the victim for other pecuniary losses directly resulting from the victim's injury or death.

While your Committee is mindful of the suffering of victims of crime and the impact of violence on the victim's families, your Committee is nevertheless concerned with the need to ensure that awards of compensation are predictable and consistent in all cases. While pain and suffering, mental anguish, loss of enjoyment of life, loss of consortium, and other pecuniary and nonpecuniary losses are a very real and tragic consequence of violent crime, both for the victims and their loved ones, the awarding of compensation in these cases inevitably leads to the making of subjective findings that, your Committee believes, often give the appearance of arbitrary decision making. Your Committee therefore believes that these amendments are necessary to make compensation awards more definite, reasonable, and consistent.

Your Committee has further amended this bill to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1590, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

#### **SCRep. 302      Judiciary on S.B. No. 1592**

The purpose of the bill is to extend the sunset date in Act 151, Session Laws of Hawaii 1993, as amended by Act 61, Session Laws of Hawaii 1993, from July 1, 1995 to 1998, for the completion of improvements to the women's community correctional center as required in the Spear v. Waihee consent decree.

Testimony in support of the measure was received from the department of public safety. Your Committee finds that failure to enact this measure will delay the construction of the women's correctional center.

Your Committee is aware that the nearly \$6 million required to underwrite the renovations needed to convert the Olomana cottage to the site for the women's correctional center is currently under review by the Legislature. If the completion date is not extended from July 1, 1995 to July 1, 1998, however, there will not be sufficient time to complete the project, even if the funding is approved, resulting in costly fines and penalties for failure to comply with the consent decree.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1592 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 303     Judiciary on S.B. No. 1767**

The purpose of the bill, as received by your Committee, is to permit victims of sexual assault to require the convicted defendant or accused person who sexually assaulted them to be tested for the human immunodeficiency virus (HIV), and to obtain the results and appropriate counseling regarding HIV.

Your Committee believes that the requirements of informed consent to HIV testing and confidentiality of test results are important protections for people who are or may be infected with HIV. At the same time, however, exceptions to these requirements have been made in compelling circumstances. Your Committee finds that the need of a sexual assault victim for timely information regarding the HIV status of the accused sexual assailant warrants the further exception proposed by this bill. It is important to note that the provisions of the bill encourage accused sexual assailants to voluntarily submit to HIV testing and ensure that HIV counseling is provided to the accused sexual assailant. Your Committee further finds that, as a whole, the bill draws the appropriate balance between the interests of the accused sexual assailant on the one hand and those of the victim and the public at large on the other.

The prosecuting attorney informed your Committee that incidents of sexual assault by juveniles is significantly less than those by adult offenders. Therefore, amendments were made to the bill to limit its scope to adult offenders, where the risk of sexual assault is more prevalent.

As affirmed by the records of votes of the members of your Committees on Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1767, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 304     Judiciary on S.B. No. 1774**

The purpose of this bill is to authorize the department of the attorney general and the department of commerce and consumer affairs to hire, by contract, special deputy attorneys general, special attorneys for securities enforcement, and special consumer protection attorneys.

Under current law the attorney general has the authority to appoint special deputies, but there is no specific authority to hire them on a contingent fee basis. Your Committee believes that in certain specific cases, particularly in the securities and consumer protection area where special expertise is needed, the State would benefit from using special deputies on a contingent fee basis. In complex litigation or cases in which the up-front costs may be high, your Committee believes that contingent fee arrangements may be beneficial to the State.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1774 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 305     Judiciary on S.B. No. 1789**

The purpose of this bill is to create a public integrity and white collar crime unit within the department of the attorney general. The two-fold duties of this unit are to investigate misconduct by public officers and employees relating to public funds, use of state property and other laws bearing on the ethical conduct of the public's business, and to investigate schemes to defraud the public.

Your Committee finds that investigations in these areas are often extensive and complicated, requiring special attention and specialized investigators and attorneys. This measure will enable the attorney general to have greater ability to combat public corruption and white collar crime.

Your Committee believes that corruption, cronyism, and the appearance of impropriety are at the heart of the public's dissatisfaction with government. Ethical failures by public officials do more than merely erode public confidence in our government. They discourage and demoralize honest and conscientious public servants.

Your Committee also believes that private schemes to defraud the public are of equal concern. Today, when so many of our people face economic hardship, it is imperative that those who perpetrate such frauds are investigated and prosecuted by an effective law enforcement presence.

Your Committee has amended this bill by deleting language that the unit obtain all appropriate remedies through criminal, civil, and administrative action as the unit, under the department of the attorney general, already has these powers. The bill was also amended by restricting the appropriation period to the first year of the fiscal biennium 1995-1997, and by providing an appropriation amount of \$1, for purposes of further discussion. Your Committee has also made some technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 306 Consumer Protection on S.B. No. 928**

The purpose of this bill is to repeal section 412:9-406, Hawaii Revised Statutes, which requires depository financial services loan companies to obtain an appraisal for all loans in excess of \$100,000 secured by real property.

Your Committee has amended the bill by amending, instead of repealing, section 412:9-406, Hawaii Revised Statutes, to require appraisals for all loans in excess of \$250,000 secured by real property.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 928, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Levin).

**SCRep. 307 Consumer Protection on S.B. No. 1568**

The purpose of this bill is to update the bulk sales law to set forth a broader application to include certain transactions occurring in today's marketplace which include transfers of intangible property.

Your Committee finds that if a bulk sales transaction is made without the seller paying the appropriate tax, the purchaser then becomes responsible for payment of the general excise tax up to the amount of purchase. Your Committee further finds that the present bulk sales law has been strictly interpreted to apply to sales of tangible property, yet transactions involving transfers of intangible property are often not reported and to ensure parity under the law these transactions should be specifically included within the scope of the bulk sales law.

Your Committee has amended this bill by:

- (1) Restoring the reference to sales, as well as transfers, otherwise the title of the bill may not cover the contents. A definition of sale also has been added.
- (2) Including references to title 14 of the state tax code to ensure that all applicable taxes and related interest and penalties are buyer liabilities. Currently the Department of Taxation enforces this result;
- (3) Moving the section to chapter 231, Hawaii Revised Statutes, so that it more clearly applies to all state taxes;
- (4) Limiting the definition of property, in the case of real property, to business property by excluding interests in residential real property.
- (5) Deleting the extraordinary penalties imposed for wilful failure to file and eliminating the capped fine for a misdemeanor. This will allow the more appropriate Penal Code fine provisions for a misdemeanor to control; and
- (6) Making technical nonsubstantive changes for the purposes of clarity and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1568, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 308 (Joint) Education and Transportation and Government Affairs on S.B. No. 413**

The purpose of this bill is to allow students enrolled in Hawaiian language immersion programs to utilize Department of Education-provided transportation.

The bill also clarifies the intent of section 296-45, Hawaii Revised Statutes, relating to the transportation of school children, to specify that the statute only applies to children who attend public schools.

Your Committees find that since the inception of the Hawaiian language immersion program, many students who live outside the school district in which the immersion program is established must travel significant distances in order to participate in the program. This commute places a hardship on both the students and the parents who must provide transportation for their children.

Your Committees believe that allowing Department of Education-provided school buses to travel across district boundaries to accommodate these students is not an unreasonable encumbrance on the State.

As affirmed by the records of votes of the members of your Committees on Education and Transportation and Government Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 413 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Solomon, Tam, Taniguchi).

#### **SCRep. 309 Education on S.B. No. 424**

The purpose of this bill, as received by your Committee, is to allow the department of education to enter into lease agreements for the acquisition of, including land for, public school facilities.

Your Committee finds that the demand for additional classrooms and support facilities within our public school system has outpaced our ability to construct the necessary facilities, and thus there is an ever increasing backlog in the school construction program. Your Committee further finds that one innovative approach which has been used in other states is to authorize school districts to enter into lease agreements with private developers and landowners.

Testimony regarding this measure was submitted by the superintendent of education and while supportive of the concept, the superintendent expressed concerns about their lack of authority to negotiate leases on behalf of the State, which presently rests with the department of land and natural resources.

Upon further research into this issue and consideration of the concerns expressed by the superintendent, your Committee has amended this bill by deleting its contents and substituting therefor the following amendments:

- (1) Establishing an interim study group to be composed of representatives from the departments of budget and finance, attorney general, land and natural resources, education, and accounting and general services; and
- (2) Requesting that the group study this issue and develop proposed legislation to be presented to the legislature prior to the convening of the 1996 regular session.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 424, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Tam).

#### **SCRep. 310 Ecology and Environmental Protection on S.B. No. 95**

The purpose of this bill is to amend section 342F-20, Hawaii Revised Statutes, requiring that the Department of Health adopt standards for noise control for counties that have not enacted noise control ordinances by December 31, 1995.

Your Committee received testimony indicating that these rules are aimed at regulating noise and pursuing a shared noise control program between the counties and the State. This bill will allow counties the autonomy to establish their own standards of noise control.

Your Committee amended the bill by including language which clarifies the relationship of the rule between the counties and the State.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 95, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 95, S.D. 1, and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Ikeda).

#### **SCRep. 311 Ecology and Environmental Protection on S.B. No. 1320**

The purpose of this bill is to prohibit the use of herbicides in public roadside maintenance and to require the use of nonchemical methods.

Your Committee finds that the public maintenance of roadsides presently involves the use of herbicides. There is growing evidence that the use of herbicides may be harmful to human health and may endanger adjacent crop lands and

natural environments. There is also growing concern about their contribution to nonpoint source pollution of streams, coastal water, and ground water. Many jurisdictions in other parts of the country have banned the use of herbicides for these reasons, relying instead on nonchemical methods of roadside maintenance, including integrated vegetation management (IVM).

Your Committee further finds that IVM is much more aesthetically pleasing, less damaging to the environment, and more economical than herbicide use over time. IVM programs involve more than minimizing or eliminating the use of herbicides, they also hope to reduce the need for subsequent treatments.

Your Committee received disparate testimony on this measure. The state departments of agriculture and transportation, as well as the City and County of Honolulu's department of public works testified against this measure due to monetary and safety concerns which may arise with the implementation of mechanical, nonchemical methods of vegetation management.

Your Committee finds that Hawaii County implemented IVM strategies along several stretches of roadways in 1991 as a test project. The objectives were as follows:

- (1) To create safe driving, biking, and walking conditions;
- (2) To reduce toxic chemicals in the environment;
- (3) To control soil erosion on slopes and cut banks;
- (4) To reduce visual pollution (i.e. herbicided, dead vegetation);
- (5) To encourage the growth of beneficial plants and plant communities to establish naturalized vegetation that is self sustaining and that blends into the surrounding landscapes;
- (6) To provide scenic beauty by providing aesthetically pleasing roadsides;
- (7) To reduce migration and distribution of undesirable weeds; and
- (8) To stay within maintenance means.

Your Committee finds that Hawaii County was able to meet the majority of the objectives of their test project, and that the six test sites are still herbicide-free.

Your Committee has amended this measure by allowing the use of herbicides where nonchemical methods pose a threat to workers or to public safety, and only under conditions where their use would not adversely impact upon the environment. This measure has been further amended by your Committee to require that the general public be notified prior to the use of herbicides. Other technical, nonsubstantive amendments have been made for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1320, S.D. 1, and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

#### **SCRep. 312 Health on S.B. No. 447**

The purpose of this bill is to delete requirements that a new birth certificate be made for individuals who are adopted and that original birth certificates be sealed.

In particular, this bill requires that no altered, amended, replacement, or other birth certificate be issued and that upon receipt of a certified copy of the decree of adoption, the family court issue a certificate of adoption. This bill also requires that the original birth certificate not be sealed unless the natural parent can show good reason to seal the records, and also allows the order sealing the records to be vacated at any time upon request of the individual who petitioned the court to have the records sealed. Finally, this bill requires that all birth certificates be made available only to the parents and individuals named on the certificate, and in the case of an adoption, to the adoptive parents or their agent.

Your Committee received testimony both in favor of and in opposition to this bill, and after due consideration, has substantially amended this bill by:

- (1) Leaving intact current provisions requiring the issuance of supplemental birth certificates in cases of adoption;
- (2) Providing that the original birth certificate shall not be sealed unless at least one of the natural parents provides a written request to the department of health that it be sealed;
- (3) Deleting the rebuttable presumption in favor of not sealing the original certificate; and
- (4) Deleting the requirement that all birth certificates be made available only to the parents and individuals named on the certificate, and the adoptive parents, in cases of adoption.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 447, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 313 Health on S.B. No. 1245**

The purpose of this bill is to reduce the membership of the Hawaii State Coordinating Council on Deafness from twenty-one to thirteen, and to reduce the membership of the Commission on Persons with Disabilities from fifteen to nine.

Your Committee finds that the membership reductions provided in this bill will streamline the respective bodies and promote effectiveness and efficiency.

Your Committee has amended this bill to clarify that a concurrence of the majority of the voting members of the quorum shall be necessary to validate any act of the council. Your Committee has also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 314 (Joint) Health and Human Services on S.B. No. 1667**

The purpose of this bill is to amend Act 178, Session Laws of Hawaii 1990, relating to respite care, by repealing the requirement that the department of health submit an annual report to the legislature, and by repealing the sunset date of June 30, 1995. This bill also amends Act 117, Session Laws of Hawaii 1993, relating to standards for admission to Waimano training school and hospital, by repealing the sunset date of June 30, 1995. Finally, this bill repeals provisions in the Hawaii Revised Statutes authorizing respite care at Waimano training school and hospital.

Your Committees find that the provision of respite care is essential in order for families and providers of human services to provide ongoing care of family members and clients. The community has long been the preferred locus for respite care. The intent of this bill is to eliminate the offering of this important service in an institutional setting, rather than to eliminate the purpose or need for respite services entirely.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that is attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1667 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Aki).

**SCRep. 315 Health on S.B. No. 1846**

The purpose of this bill is to specify requirements relating to mammography facilities, exposure limits, use of physicists in the healing arts, and radiation protection programs. Civil penalties are also provided.

Your Committee finds that the provisions in this bill for mammography facilities will allow only those facilities which have optimal screening and diagnostic mammography services to operate in Hawaii. Your Committee further finds that the notification requirement for suspected overexposure will facilitate timely investigation and corrective action to minimize or prevent future incidents.

In general, your Committee believes that this bill is a major step toward ensuring the prudent use of radiation in medicine, and will also contribute to the well-being of professionals and the public by establishing state-of-the-art criteria for radiological safety.

Your Committee has amended this bill by:

- (1) Clarifying that each mammography facility shall maintain accurate records, rather than a logbook, of mammography services performed at the facility;
- (2) Providing that no individual or facility shall obstruct, prevent, or deny a holder of a valid certificate issued by the United States Department of Health and Human Services, Food and Drug Administration, pursuant to the Mammography Quality Standards Act of 1992 (the "Act"), from acquiring data, information, or statistics on outcome required by the Act;
- (3) Providing that no individual or facility shall obstruct, prevent, or deny delivery of reports to patients by holders of a valid certificate issued by the United States Department of Health and Human Services, Food and Drug Administration, pursuant to the Act; and

- (4) Adding the word "medical" before the word "physicist" each time it appears in the section dealing with the use of physicists in the healing arts, and by providing that medical physicists shall have at least a masters degree in a physical science, in addition to the certification currently required under the bill.

In addition, your Committee has made several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1846, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1846, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 316 (Joint) Agriculture, Labor, and Employment and Ecology and Environmental Protection on S.B. No. 363**

The purpose of this bill is to appropriate \$200,000 for the 1995-1997 fiscal biennium for the Governor's Agriculture Coordinating Committee to expand the implementation of livestock waste management guidelines.

Your Committees find that the livestock industry has been an important contributor to the diversified economy of the State of Hawaii. The combined farm gate sales, reported at an estimated \$90.1 million per year (statistics of Hawaii Agriculture, 1991), make the livestock industry the largest diversified agriculture sector within the state economy.

Your Committees also find that environmental awareness has been increasing with the enactment of the Clean Water Act and Coastal Zone Reauthorization Amendments Act. Both of these Acts are intended to protect and preserve all waters of the United States from point and non-point source pollution.

Because the entire State of Hawaii falls within the definition of a coastal zone, it is severely affected by the Coastal Zone Reauthorization Amendments Act and its stringent requirements. The livestock industry, particularly affected by the federal non-point source pollution program, has identified that waste management is the most critical problem facing them due to the potential adverse impact of government regulation enforcement.

Your Committees believe that the continued funding of the Governor's Agriculture Coordinating Committee's project to implement livestock waste management guidelines will provide livestock operators with an overview of pollution prevention planning and offer guidance on alternative management practices.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Ecology and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 363 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Aki, Ikeda, Anderson).

**SCRep. 317 Housing on S.B. No. 458**

The purpose of the bill is to appropriate funds to assist Waialua Sugar Company employees in meeting their housing payment and provide grants to maintain housing in the camp housing area.

The closure of the Waialua Sugar Company will result in significant impacts to the North Shore region of Oahu. Housing ranks among the primary concerns of the three-hundred-fifty former employees of the sugar operation. Currently, many employees and their families live in plantation homes owned by the company. With the closing of the company, however, many of these families may face the possibility of losing their homes.

Testimony in support of this measure was submitted by Honolulu City Councilmember, Rene Mansho, the International Longshoremen's & Warehousemen's Union (ILWU) Local 142, and several Waialua Sugar Company employees.

The Housing Finance and Development Corporation (HFDC) submitted testimony in support of the intent of the legislation but cannot support the appropriation as it is not consistent with the State's Biennium Budget request.

Testimony revealed that the announced closure of Waialua Sugar Company has brought forward a host of concerns for company employees. Their foremost concerns being future employment and housing.

Workers living in plantation housing have been informed by the Company that they will allow workers and their families to remain in company housing only for six months after their jobs are eliminated. These workers are deeply concerned about whether they will be able to find an affordable place to live or be forced to join the ranks of the homeless already struggling on the North Shore.

Some workers have been able to purchase their own homes, primarily through company-sponsored programs. These workers are now concerned about what will happen to their homes if they are not able to make their monthly mortgage payments. With uncertainty about future employment, these workers fear losing the homes they have worked so hard for.

Still other workers live in unsubsidized rental housing, some with large monthly rental payments. If unemployed, they are likely to become homeless, resulting in a greater burden to the taxpayer.

Your Committee finds that with the loss of their jobs, many employees will undergo a transition period as they seek new employment, seek alternate means of housing, or seek other opportunities. As incomes may be greatly diminished, the enactment of this measure will aid these employees to continue to make their housing payment and meet other living expenses.

Your Committee has made the following amendments to the bill as received:

- (1) Deleting the original language on page 2, line 6, paragraph (2). The new language is:

"A grant program to finance the temporary relocation of families displaced by the closure of Waialua Sugar Company."

- (2) Page 3, section 3, lines 11 to 13 are deleted and is replaced with the following:

"a grant program to finance the temporary relocation of families displaced by the closure of Waialua Sugar Company."

- (3) Page 3, line 16, the words "the relocation of" are added and the phrase "living in plantation housing" is deleted. The line reads as follows:

"The housing finance and development corporation shall develop as part of this grant program a special rental subsidy program for the relocation of retirees and former employees who are in transition to other jobs."

- (4) Technical, nonsubstantive amendments to the bill have been made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 458, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 318 Housing on S.B. No. 459**

The purpose of the bill is to appropriate funds to enable the Housing Finance Development Corporation (HFDC) to develop and implement strategies to address the housing needs of the former employees of the Waialua Sugar Company.

Testimony in support of this bill was submitted by the Hawaii Housing Authority, Honolulu City Councilmember Rene Mansho, the International Longshoremen's & Warehousemen's Union (ILWU) Local 142, and several concerned employees of the Waialua Sugar Company.

The Office of State Planning and the HFDC submitted testimony in support of the intent of the legislation but could not support the appropriation as it is not consistent with the State's Biennium Budget request.

Your Committee was informed that in November, 1994, the Waialua Sugar Company announced the closure of its twelve thousand acre operation on Oahu's North Shore. The announcement was troubling news to the three-hundred-fifty workers and managers employed at the plantation.

One of the primary concerns of the workers of Waialua Sugar Company relates to the fate of the plantation homes in which they currently reside. Many employees have lived for decades in dwellings owned by the company. With the closing of the company, many may face the possibility of losing their homes. The workers have been informed there will only be a six month extension then they must vacate their homes.

Your Committee finds that the enactment of this measure will help to provide housing solutions for the displaced sugar workers by providing the HFDC with the ability to develop and implement strategies to address these most pressing housing concerns.

Your Committee has amended this bill as received by deleting the word "preserve" and replace it with the word "provide" on page 2, line 12.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 459, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 459, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 319 (Joint) Housing and Education on S.B. No. 550**

The purpose of the bill is amend section 201E-30 and 201E-217, Hawaii Revised Statutes, to allow the Housing Finance and Development Corporation (HFDC) to plan, develop, construct, and finance educational facilities and related infrastructure ancillary to the needs of its housing projects.

Your Committees find that there is a large deficit of school classrooms which currently exists and which will be exacerbated in the future due to enrollment growth and new housing developments.

Testimony in support of this measure was submitted by the Department of Accounting and General Services (DAGS) and the Ewa Neighborhood Board No. 23.

Testimony revealed that DAGS supports any measure to help expedite school construction projects within HFDC provided that the school facility is located at a site acceptable to the DOE; that the facility is in compliance with the DOE's Educational Specifications (EDSPEC); and that HFDC builds the school facility and the subdivision housing units at the same time.

The Ewa Neighborhood Board No. 23 submitted a resolution which stated that the State condemned 900 acres of land for the Villages of Kapolei and the Master Plan included a high school, intermediate school, and two elementary schools. However, the 35 acres planned for the high school were insufficient for the DOE's land requirement for a high school, so the 35 acres have gone to the development of the Villages of Kapolei. The members of the Ewa Neighborhood Board feel that the moneys derived from the 35 acres designated for Kapolei High School should be reinvested for the development of a Kapolei High School facility.

The Department of Education (DOE) supports the intent of the bill, however, it is concerned that another organization is allowed to carry out the planning, design, and construction of school facilities without the input and final decision-making regarding program implementation and its relationship to the planned educational facilities.

Opposing testimony was submitted by HFDC as they feel that the actual planning, design, and construction of school facilities fall under the jurisdiction of DAGS. Furthermore, they indicated that their focus is to expedite the development of affordable housing. Because they utilize revolving funds to finance development activities, any moneys expended by HFDC must be recouped in order to enable HFDC to undertake additional housing projects. Therefore, the use of HFDC's resources to carry out the intent of this bill would detract from HFDC's ability to fulfill its housing mission.

Upon consideration, your Committees have amended the bill as as received follows:

- (1) Amending Section 1, line 9, by adding the phrase "provided that the educational facilities comply with the department of education's educational specifications and standards for facilities" after the word "projects";
- (2) Adding language to have the Board of Land and Natural Resources transfer the title of land located in Kapolei to HFDC for the development of a high school in the Kapolei area;
- (3) Adding language to state that HFDC shall use all means within its authority and its disposal to plan and design the high school facility and the necessary infrastructure; provided that the facility complies with the department of education's educational specifications and standards for facilities; and
- (4) Making a conforming amendment to section 27-11, HRS, which is the State Functions and Responsibilities Chapter to make it clear that HFDC also has the authority, not just the agency designated by the Governor to carry out the intent of this bill.

As affirmed by the records of votes of the members of your Committees on Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 550, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Matsunaga, Taniguchi).

#### **SCRep. 320 Housing on S.B. No. 1686**

The purpose of the bill is to amend the requirements of the State's homeless programs, sections 358D-3, 358D-8, 358D-9, 358D-10, 358D-14(a), and 358D-17, Hawaii Revised Statutes (HRS), in order to clarify and promote the effective administration of these programs.

Testimony in support of this bill was submitted by the Hawaii Housing Authority.

Your Committee finds that the enactment of this measure will help to clarify and promote the effective administration of the State's homeless programs by doing the following:

- (1) Clarifying that the selection of provider agencies is not subject to chapter 103D, HRS;
- (2) Clarifying that the time limits imposed on provider agencies in their delivery of services starts from the time that the client is qualified as eligible;
- (3) Amending the audit requirements of the Hawaii Housing Authority; and
- (4) Amending the method of paying homeless shelter stipends by linking the stipends to the physical unit rather than the number of persons residing in the unit.

Your Committee has made the following amendments to the bill as received:

- (1) As this bill is adding a new subsection (c), the original bill has been amended to reflect the correct ramseyer format by including the entire section of 358D-10, HRS;
- (2) The phrase on page 3, section 5, line 13, "each fiscal year" is changed to "fiscal biennium" to change the audit period; and
- (3) Technical, nonsubstantive amendments are made for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1686, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

#### **SCRep. 321 Housing on S.B. No. 1819**

The purpose of the bill is to provide a legal process to ensure prompt eviction of persons engaging in specified drug-related criminal activity on or near leased residential premises or who permit others to engage in such criminal activity. The bill also authorizes courts to order persons other than tenants who engage in certain drug-related criminal activity to stay away from the location where the criminal activity occurred.

Favorable testimony was submitted by the City Prosecutor of the City and County of Honolulu, the Neighborhood Security Watch Association of Hawaii, and the Community Coalition for Neighborhood Safety. Testimony in support of the intent of the bill was submitted by the Hawaii Association of Realtors, however concern was expressed over certain provisions regarding landlord liability and responsibility.

Testimony revealed that this bill provides all tenants and residents with clear notice that drug trafficking on or near leased residential premises will not be tolerated and this bill includes a number of innovations:

- (1) Traditionally, only a landlord or owner of a property is authorized to initiate eviction proceedings. This bill expands the scope of who may bring such actions, to include prosecuting agencies or bona fide tenant organizations, empowering victims of drug-related crime, giving them standing to be heard in civil courts. This is particularly necessary where a landlord or owner refuses to act.
- (2) Traditionally, a court's jurisdiction was limited in eviction actions to either dismissing the action or evicting the tenant. However, this bill introduces the concept of partial eviction. This enables the court to tailor its eviction order to include only those persons who are involved in drug-trafficking activity while allowing innocent tenants to remain on premises.
- (3) This bill also enables a court to design a "probationary" tenancy by which the court may allow a drug-dependant tenant, who may otherwise be subject to complete eviction, to remain on the premises so long as the tenant is undergoing appropriate and carefully supervised drug treatment.
- (4) This bill also allows prevailing tenant organizations to recover the cost of the suit, including, but not limited to, reasonable attorney's fees and cost, from the landlord who has previously refused to take action after having been requested to do so.

Your Committee has amended section 2 of the bill by amending various sections of the proposed Hawaii Revised Statutes chapter. In particular, your Committee has made the amendments as follows:

- (1) Deleting the definition of "felony" as the word is not used in the chapter;
- (2) Amending the definition of "possession";
- (3) Inserting another subsection to section -5 to protect against frivolous actions and providing for sanctions for unfounded or unwarranted pleadings, motions, or other papers;
- (4) Deleting the phrase "as set forth in sections -12(b) and -14" from section -6 since these sections are related to the expeditious nature of the hearing and not evictions; and
- (5) Adding a new section -28 concerning construction of the new chapter.

Technical, nonsubstantive amendments have been made to the entire bill for purposes of style and clarity.

Your Committee further amended the bill by deleting section 3 concerning severability as it is superfluous. Section 4 of the bill was also deleted as a new section -28 has been inserted into the new chapter requiring liberal construction.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee 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 referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

**SCRep. 322 Housing on S.B. No. 1892**

The purpose of this bill is to require Housing Finance and Development Corporation (HFDC) to give the members of the Queen Emma Gardens Tenants Association (QEGTA) full access to the reports and appraisals conducted pursuant to Act 258, Session Laws of Hawaii 1994.

Your Committee finds that HFDC has transmitted copies of the report and appraisal to QEGTA at the end of January 1995. Based upon the advice from the Attorney General's Office, HFDC could not release the report as it was not yet finalized and approved by the Governor.

As background, the Queen Emma Gardens was developed by Robert E. Black and the original goal was to provide reasonably priced housing. Since its completion in 1964 to 1989, it was an affordable rental and a stable community. However, since Hawaiian Trust took over the management of Black's assets after his death, rents have increased, and more than a third of the elderly and low moderate income families with young children have departed. The QEGTA has been working for the past seven years to find a feasible way to preserve Queen Emma Gardens as affordable rental housing. The association was formed in response to dramatic rent increases demanded by Hawaiian Trust to support the charities of the Hawaii Community Foundation. Currently, some of the elderly who have lived at Queen Emma Gardens for over 20 years are tapping into their savings to remain there. Many of those affected are long term residents, retirees on a fixed income or frail elderly persons with few options. The QEGTA are continuing in their efforts to preserve one of the few moderate level rental housing projects in downtown Honolulu.

Testimony was submitted by Housing Finance and Development Corporation, the Sisters of Saint Joseph of Carondelet, the Queen Emma Gardens Tenants' Association, and the President of Hastings, Conboy, Braig and Associates, Ltd.

Testimony by QEGTA indicated that they received the appraisal from HFDC on January 27 and did not have sufficient time to make detailed analysis of the appraisal and present specific testimony. Informal discussions with their volunteer consultants indicated that the preliminary valuation of the Queen Emma Gardens is closer to \$70-75 million than the \$100 million figure recognized by HFDC. The value exceeds the \$55 million in bonds authorized by the Legislature last year and the QEGTA understand that, due to the State's budget crisis, the State will not be permitted to make up the \$15-\$20 million difference.

Furthermore, the QEGTA have been having preliminary discussion with other possible funding sources to make up the difference. They request that the \$55 million bond authorization be renewed for one year to allow the QEGTA ample time to present a detailed response, with documentation, to the appraisal and to locate the additional funding required for the purchase of Queen Emma Gardens.

Testimony further revealed that the John Child & Company appraisal is flawed and is far higher than the market value of the project because they have failed to consider the financing cost and developer's profit that would be required as a deduction from sales revenue in any market oriented project. In addition, inspection of the 31 year old units indicated that John Child & Company should have made allowance for the substandard quality of the kitchens, baths and lack of carpets.

HFDC stated that unless the State's fiscal condition drastically improves, the acquisition of the Queen Emma Gardens Project is not financially feasible. However, they are willing to work with QEGTA to pursue alternative acquisition options.

Upon consideration, your Committee has amended the bill by:

- (1) Deleting portions of the bill which reference the legislative report and appraisal and inserting language about the developments of Queen Emma Gardens;
- (2) Adding language to amend Act 258, Session Laws of Hawaii 1994, Section 3 to extend the bond authorization to fiscal year 1996-1997 and to provide that the bond shall not be issued unless approved by the Legislature, by concurrent resolution, during the 1996 Regular Session;
- (3) Making technical, nonsubstantive amendments for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1892, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Liu).

**SCRep. 323 Housing on S.B. No. 1910**

The purpose of the bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$50,000 for fiscal year 1995-1996, to plan the transfer of the Del Monte camp at Poamoho and Kunia from pineapple plantation housing to collective ownership.

Favorable testimony was submitted by Honolulu City Councilmember Rene Mansho and the International Longshoremen's & Warehousemen's Union (ILWU) Local 142.

In the past several years, sugar and pineapple plantations have faced major economic downturns, resulting in the closure of several plantations. This situation has left many families facing the real prospect of eviction and possible

homelessness. However, such a result is not inevitable. When Hamakua Sugar closed, efforts by Hamakua Housing Corporation, a nonprofit organization, successfully converted plantation housing into private housing for the workers.

Such an effort required planning and organization, such as subdivision of the property, establishment of a nonprofit corporation, and repairs. Residents of Del Monte's Camp at Poamoho and Kunia are facing a similar situation as the workers at Hamakua Sugar Plantation.

Your Committee finds that the enactment of this measure will aid these Poamoho and Kunia camp residents to be successful in their efforts to convert their plantation camp rental homes to a community of collective ownership.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1910, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 324 (Joint) Judiciary and Human Services on S.B. No. 1845**

The purpose of the bill is to appropriate funds to support Hawaii's Filipino and Samoan communities in helping to develop solutions to reduce the overrepresentation of their youth in the juvenile justice system.

The Juvenile Justice Delinquency Prevention Act (JJDP), as amended by Public Law No. 93-415, requires states to fund efforts to reduce the proportion of juveniles detained or confined who are members of minority groups, if such proportion exceeds the proportion such groups represent in the general population. A study conducted by the attorney general in 1988 indicated that Hawaiian/part-Hawaiian, Filipino, Samoan and Black youth are overrepresented in the juvenile justice system. Although a more updated study by the attorney general is expected to be completed in March 1995, your Committee has been informed that the situation has not changed.

Testimony in support of the bill was submitted by the office of youth services and Dr. Ben Junasa, executive director of the Waipahu-based Cosmopolitan Social Service Agency.

Your Committee recognizes that the State's failure to comply with the federal mandate will result in the loss of federal funds. While the JJDP Act calls for Hawaii to focus on those ethnic groups that are overrepresented in the juvenile justice system, your Committee wants to make it clear that it is concerned with all youth who enter the system. Your Committee acknowledges however that focusing on those ethnic communities that are overrepresented ethnically is one strategy for addressing juvenile delinquency, although this must be carried out with other strategies and community efforts.

The bill as introduced provided for an appropriation of \$100,000 to develop strategies for dealing with juvenile delinquencies in the Filipino and Samoan communities. After careful consideration, your Committee has amended the bill to include Hawaiian/part-Hawaiian, and other overrepresented communities as well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Human Services that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Aki, Matsunaga, Tam).

#### **SCRep. 325 Communications and Public Utilities on S.B. No. 241**

The purpose of this bill is to increase the number of commissioners on the Public Utilities Commission from three to five, to require that no more than three commissioners be residents of the City and County of Honolulu, and to include experience in communications as one of the specific criteria to be considered by the Governor in the appointment of commissioners.

Your Committee believes that the PUC's role is pivotal in the emerging shift from a monopoly-based regulatory environment to a more competitive, market-oriented one in such diverse areas as telecommunications, energy development and transmission, and transportation. As such, this bill provides an opportunity for further consideration of the appropriate structure of an expanded body whose overall scope may extend far beyond its current jurisdiction and workload.

Your Committee has further amended this bill by adding a new section amending section 269-33, Hawaii Revised Statutes. This amendment, dealing with the public utilities commission special fund, provides that staffing and operations funded through the special fund shall not be subject to the types of restrictions imposed on general funded programs, or restrictions imposed by Act 212, Session Laws of Hawaii 1994, for a period of five years. Since July 1, 1994, utility consumers have been assessed the additional surcharge that was adopted by the Legislature (Act 226, Session Laws of Hawaii 1994) to fully support PUC and Consumer Advocate operations; your Committee therefore believes that these purposes must be met.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 241, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsuura).

**SCRep. 326 Communications and Public Utilities on S.B. No. 387**

The purpose of this bill is to provide for the funding of the Division of Cable Television of the Department of Commerce and Consumer Affairs from the proceeds of the Public Utilities Commission special fund. This bill also requires the Commission to allocate evenly between the Division of Consumer Advocacy and the Division of Cable Television, on a quarterly basis and in accordance with legislative appropriations, an amount not exceeding sixty percent of the proceeds remaining in the fund after central service expenses are deducted. This bill also requires all fines collected from cable operators for violations of the cable television systems statute to be deposited into the Public Utilities Commission special fund.

The testimony submitted acknowledges the need to reorganize the State's existing telecommunications and cable regulation framework as modifications occur pursuant to the PUC's infrastructure docket no. 7702, or as a result of other legislative and regulatory modifications made in 1995.

Your Committee has therefore amended this bill to require the Public Utilities Commission and the Department of Commerce and Consumer Affairs to develop, as part of the PUC infrastructure docket no. 7702, and submit to the legislature by June 30, 1995, a plan to consolidate the regulatory operations of the Cable Television Division of the Department of Commerce and Consumer Affairs and the Public Utilities Commission.

It is the intent of your Committee that the consolidation plan include a mechanism to address the issue of whether all fines collected pursuant to the cable television systems law be deposited into the Public Utilities Commission special fund. Consequently, your Committee has amended this bill by deleting the addition of such requirement to section 440G-9(c), Hawaii Revised Statutes.

Your Committee has also amended this bill by deleting the reference to sixty per cent in the section dealing with the allocation of residual amounts in the special fund, and substituting a reference to forty-five per cent. Your Committee has also made several technical, nonsubstantive changes to this bill for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 387, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsuura).

**SCRep. 327 Communications and Public Utilities on S.B. No. 530**

The purpose of this bill is to establish, for tax years beginning after December 31, 1994, an income tax credit for employers who purchase equipment to provide a telework station for their employees. The credit is equal to fifty percent of the cost of qualified telecommunications equipment and appurtenances, and one-hundred percent if the equipment is used by a handicapped person.

The original bill provided that a workstation for an employee would qualify for the telework center tax credit if:

- (1) The principal place of employment is within a one-mile radius of the state capitol or seat of county government;
- (2) The employee resides more than ten miles by the most direct commuting route from the place of employment;
- (3) The employee's workstation is utilized by the employee sixty-five percent of normal working hours; and
- (4) The position and work to be performed at the station have been established for at least one year.

Your Committee finds that the establishment of telework centers utilizes telecommunications technologies to allow employees to work from home, or at a workstation closer to home than their principal place of employment.

Studies indicate that in 1993, the number of telecommuters nationwide increased to approximately 7.6 million, reflecting a fifteen percent annual growth rate. Your Committee recognizes that this trend is expected to continue to gain in popularity since benefits are realized both by the employer and employee.

In particular, your Committee finds that employees who telecommute improve their quality of life, since they are able to spend more time with their families. In addition, telework center workers can experience reductions in fuel consumption, automobile maintenance and parking expenses.

Your Committee further finds that businesses can also benefit from the establishment of telework centers. Company responsiveness and flexibility will increase, and businesses will be able to expand recruitment capabilities, overcome staff shortages, and reduce turnover.

Your Committee acknowledges the concern raised by the Department of Taxation that current federal law does provide business deductions for the purchase and installation by employers of equipment, including telecommunications equipment to be used in a telework center.

Accordingly, your Committee has amended the bill to structure the credit to provide incentives for public or private sector employees to purchase their own equipment and pursue a broader range of telecommuting options. The amended bill now establishes an income tax credit for individuals who purchase equipment to use in conjunction with their principal employment. As amended, the bill provides a credit for tax years beginning after December 31, 1995 equal to one-hundred percent of the cost of the equipment purchased under the following conditions: the individual claiming the credit must be in a position which has been established for one year or more, the equipment is new, and the employer certifies that the expenditures were work-related.

Equipment costs eligible for the credit are capped at \$5,000 for computer equipment; \$500 for dedicated telecommunication lines and \$25 per month for rental charges; \$500 for facsimile machines; and \$500 for office furniture. The tax credit under the amended bill is repealed on December 31, 1999.

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

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 530, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsuura).

#### **SCRep. 328 Communications and Public Utilities on S.B. No. 938**

The purpose of this bill is to exempt jitney services from the jurisdiction of the public utilities commission so that they may be regulated by the counties. The bill defines jitney services to mean unsubsidized public transportation services utilizing motor vehicles that: (1) have seating accommodations for eight to twenty-five passengers, (2) operate along specific routes during defined service hours, and (3) levy a flat fare schedule.

Your Committee recognizes that there are a large number of tour/charter minivans and minibuses which are not fully used during peak commute periods, and therefore, offer potential for cost-effective capacity additions to public transit services during commute hours.

Your Committee finds that counties should have the option to regulate jitney services since they are able to coordinate and oversee the application of such services as part of an expanded public transportation system.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 938 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsuura).

#### **SCRep. 329 Communications and Public Utilities on S.B. No. 1806**

The purpose of this bill is to transfer the Information and Communications Services Division (ICSD) from the Department of Budget and Finance to the Department of Accounting and General Services (DAGS), and to transfer the responsibility for post-audits from the Department of Accounting and General Services to the Department of Budget and Finance.

Your Committee finds that the functions of the ICSD are compatible with the administrative support functions of DAGS, and consequently supports such transfer, and further finds that the transfer of post-audit functions to the Department of Budget and Finance will promote efficiency and accountability in state government.

After due consideration, your Committee has amended this bill by:

- (1) Providing that, in addition to the other information services functions transferred under this bill, the department of accounting and general services shall provide centralized information management and processing services, coordination in the use of all information processing equipment, software, facilities, and services in the executive branch of the State of Hawaii, and consultation and support services in the use of information processing and management technologies to improve the efficiency, effectiveness, and productivity of state government programs;
- (2) Clarifying that all after-the-fact audits shall be conducted by the department of budget and finance to determine the legality of expenditures, the accuracy of accounts, and the effective and efficient use of resources; and
- (3) Making conforming changes in other sections of the Hawaii Revised Statutes relating to audit functions.

Your Committee has also determined that these audits are public records under the definitions provided under chapter 92F, Hawaii Revised Statutes, and that they shall be made available to the public from the departments audited and from the Department of Accounting and General Services.

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

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1806, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1806, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsuura).

**SCRep. 330 Communications and Public Utilities on S.B. No. 1939**

The purpose of this bill is to provide funds for staff, operations, and equipment of the public access room in the state capitol.

Your Committee finds that a major component of the legislature's permanent public access program, which was established in 1994 to encourage, educate, and support citizen participation in the legislative process, is the public access room in the state capitol. The public access room provides staff and equipment to assist the public in reviewing legislative measures and preparing testimony.

After due consideration, your Committee has amended this bill by:

- (1) Adding provisions making appropriations out of the general revenues of the State of \$100,000 each to the senate and the house of representatives for production and distribution of television broadcasts of legislative proceedings in the 1996 regular session, and for the installation of cabling and broadcast equipment to continue television broadcasts of legislative proceedings when the legislature moves back to the state capitol in 1995;
- (2) Adding provisions making an appropriation out of the general revenues of the State of \$69,360, or so much thereof as may be necessary for fiscal year 1995-1996, for grants-in-aid to Ho'ike Kauai, Akaku: Maui Community Television, and Na Leo 'O Hawaii'i;
- (3) Adding provisions making an appropriation out of the general revenues of the State of \$476,000, or so much thereof as may be necessary for fiscal year 1995-1996, to extend public access and educational broadcast capability to underserved areas of Ka'u and Naalehu on the island of Hawaii; and
- (4) Making several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1939, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Matsuura).

**SCRep. 331 (Joint) Agriculture, Labor, and Employment and Communications and Public Utilities on S.B. No. 1749**

The purpose of this bill is to bring the statutes governing full-time permanent Hawaii Public Broadcasting Authority (HPBA) employees in exempt professional and technical positions into conformance with other exempt employee status language in the Hawaii Revised Statutes.

Additionally, the bill also provides the HPBA with more managerial and financial flexibility in the administration of its exempt employees.

Your Committees find that the statutes governing HPBA exempt professional and technical positions were established over twenty years ago, prior to the establishment of other exempt position statutes for the Department of Commerce and Consumer Affairs. Since its inception, statutory language relating to exempt employment status in other sections of law have been conformed so as to avoid ambiguity. Hence, your Committees believe that these amendments are in order.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Communications and Public Utilities that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1749 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ihara, Matsuura, Anderson).

**SCRep. 332 (Joint/Majority) Agriculture, Labor, and Employment and Communications and Public Utilities on S.B. No. 1751**

The purpose of this bill is to provide the Department of Commerce and Consumer Affairs' Consumer Advocacy Division with more flexibility with respect to the exempt personnel it hires.

Specifically, the bill allows the Consumer Advocate to:

- (1) Hire additional civil service exempt staff analysts;
- (2) Remove the statutory salary ceiling of \$55,000 for those employees; and
- (3) Pay civil service exempt staff analysts the prevailing industry-standard salary.

Your Committees find that the Consumer Advocate is charged with the responsibility of advocating the public's interest before the Public Utilities Commission on a number of very complex and diverse issues. Due to the limit on the number of staff analysts the Consumer Advocate may hire, staff analysts are required to handle issues outside their normal field of expertise.

Your Committees believe that providing the Consumer Advocate with the authority to hire staff analysts on the basis of specific skill and knowledge requirements would result in better representation for the general public before the Public Utilities Commission. Furthermore, removing the salary ceiling for these staff analysts would provide the Consumer Advocate with the ability to attract more qualified applicants.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Communications and Public Utilities that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1751 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, 1 (Liu). Excused, 3 (Ihara, Matsuura, Anderson).

**SCRep. 333 Economic Development on S.B. No. 247**

The purpose of this bill is to require all state building construction plans to contain an economic feasibility study on the installation of a "cool storage" air-conditioning system versus a conventional air-conditioning system.

Your Committee heard testimony from The Department of Accounting and General Services (DAGS) and from the Hawaiian Electric Company. Both were supportive of the overall concept of the bill but were concerned about the cost implications that may be generated. The feeling was that DAGS should be given more guidance as to the appropriate rate of return on energy cost savings investments for state facilities.

Your Committee supports S.B. No. 247 and finds it would be an important step in further reducing our dependence on imported oil. It would also provide our local industry with more hands on experience in cool storage air-conditioning applications.

Your Committee is in agreement with two amendments proposed by Hawaiian Electric Company and, therefore, has inserted the term "air-conditioned" before "public buildings" in subsection (a), and language in subsection (b) that more clearly defines the level of energy cost savings that justifies the installation of a cool storage air-conditioning system.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 334 Economic Development on S.B. No. 468**

The purpose of this bill is to appropriate \$280,000 for Fiscal Year 1995-96 for each of the four county economic development corporations.

The numerous testifiers in support of this bill stressed the importance of the County Economic Development Boards to economic development in the State. Economic development boards have the ability to pursue economic development at the grassroots level, which is difficult for the State to do. The Economic Development Corporation of Honolulu testified that the economic development boards are uniquely qualified to pursue and execute community interests that are aligned with state economic development goals.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 468 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 335 Economic Development on S.B. No. 781**

The purpose of this bill is to increase the allowable number of enterprise zones for each county from six to nine.

The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of the intent of the bill, but believes it is too soon to know if more zones are needed per county.

The County of Hawaii testified that although they have only three zones at present, they anticipate the need for the establishment of several more in the near future. The county feels that because of its large size and high unemployment rate, the six zones allowed under section 209E-4, Hawaii Revised Statutes, will not be enough. The county feels that allowing more zones would free them of taking care of the "priority areas" at the expense of smaller, more isolated pockets of distress.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 781 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 336 Economic Development on S.B. No. 837**

The purpose of this bill is to appropriate funds to the Pacific International Center for High Technology Research (PICHTR) for development and demonstration of the integrated biomass to energy program, and to authorize special purpose revenue bonds for developing and constructing facilities.

The numerous testifiers in favor of this bill, including Arkenol, Inc., Energy Resources, Inc., and Recycle Hawaii, provided a wide range of reasons and rationale as to why this bill and the program it funds are important to the future of Hawaii. PICHTR testified that the \$664,500 provided in this bill can be justified because the project it funds addresses some of the key issues confronting the State by filling the agricultural void left by the closing of numerous sugar mills, mitigating environmental waste and pollution problems, and providing jobs in the areas of agriculture, and science and technology.

Giving PICHTR the power to issue special purpose revenue bonds through the department of budget and finance provides an invaluable tool with which to solicit active corporate participation in this fledgling industry. PICHTR stated that the bonds would only be utilized if a credible business opportunity were to develop in this arena. The bonds would (1) buy down the cost of the capital to the investor; (2) make the State a partner; and (3) serve as a concrete indication of the commitment of the State to this activity.

Your Committee finds that a technical amendment must be made in the first paragraph of section 1 of this bill by amending the term "landfall" to "landfill", and by correcting the title of the department of business, economic development, and tourism. Other technical, nonsubstantive amendments were made for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 837, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 337 Economic Development on S.B. No. 838**

The purpose of this bill is to provide financial incentives to state agencies which conduct energy efficiency projects that result in savings for the State.

Your Committee received testimony from the Department of Business, Economic Development, and Tourism (DBEDT), the Department of Accounting and General Services (DAGS), and other members of the community. All were in support of the intent of this bill and felt that rewarding those who perform well in implementing energy saving practices would create a "win-win" situation for both the public and private sectors.

DAGS raised concerns regarding the cost of the monitoring equipment, and recommended that a revolving fund rather than special fund be established. DBEDT also recommended that section 2 of the bill be deleted as section 36-41, Hawaii Revised Statutes, adequately addresses those matters. Your Committee has amended the bill accordingly.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 838, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 338 Economic Development on S.B. No. 842**

The purpose of this bill is to amend section 235-12, Hawaii Revised Statutes, to extend the effective duration of energy conservation tax credits an additional ten years for solar energy systems, wind energy systems, heat pump systems, and ice storage systems.

Your Committee received numerous testimonies in favor of this bill. Proponents of the bill gave several reasons as to why the income tax credits need to be preserved and extended. The most compelling reasons being environmental and economic.

Proponents pointed out the State's need to maintain and expand the use of non-polluting energy sources, because the State relies on imported oil for approximately 90 per cent of its energy production. Not only does this make the State energy dependent, but it also means that a minimum of 90 per cent of energy consumed leads either directly or indirectly to environmental waste and/or pollution.

Economically, renewable energy companies such as the solar energy industry testified that the tax credits have been essential to the growth of the renewable energy industry. Without the credit they believe there would be no viable renewable energy industry.

Your Committee believes that the deletion of energy conservation tax credits in 1999 would be premature. The ten year extension is necessary to provide the financial incentives and stability needed to maintain investment and fulfill the growth potential of this fledgling industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 842 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 339 Economic Development on S.B. No. 898**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist an industrial enterprise.

The original intent of this bill was to assist the ocean thermal energy conversion (OTEC) project at Keahole Point on the island of Hawaii. No testimony was received either in favor or against the bill.

Your Committee finds that funds are also needed for the construction and operation of an ethanol and energy conversion facility in connection with the Pacific International Center for High Technology Center (PICHTR) integrated biomass program. This program joins key resources and stakeholders in developing an environmentally sustainable and economically viable approach to converting pollutants into alternative sources of energy.

Your Committee, after careful consideration, finds that it is in the public interest and general welfare of the State to amend the original intent of S.B. No. 898 by deleting the entire bill relating to the OTEC project, and replacing it with language authorizing the issuance of special purpose revenue bonds for the construction and operation of an ethanol and energy conversion facility.

Your Committee further believes that authorizing the special purpose revenue bonds for the ethanol and energy conversion facility will provide incentives that may facilitate major corporate participation in this particular area.

Technical, nonsubstantive amendments have been made for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 898, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 340 Economic Development on S.B. No. 1735**

The purpose of this bill is to authorize the Department of Business, Economic Development, and Tourism (DBEDT) to transfer up to \$2,000,000 from the revolving funds for the capital loan program and the innovation development loan program to the disaster revolving loan fund upon declaration of a state disaster and with specific approval of the governor.

This bill also incorporates the large and small fishing vessel loan programs and their revolving funds into the capital loan program. The fishing vessel revolving fund loan balances at time of enactment would revert to the general fund. Loans for fishing vessels would continue to be made through the capital loan program.

DBEDT testified that the transfer flexibility will permit more efficient use of available funds by allowing fund transfers only when needed for immediate assistance to business and individuals suffering from a disaster such as Hurricane Iniki.

DBEDT also stated that the large fishing vessel loan program and the small fishing loan program have had little activity since 1988 due to poor economic conditions within the fishing industry and increased competition from outside the State. The department believes loans for fishing vessels can be adequately handled through the Hawaii capital loan program.

Overall, DBEDT believes the consolidation of the programs will simplify the administration of the direct business loan program and provide for the more effective use of funds to meet the changing composition of the Hawaii business community.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1735 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 341 Economic Development on S.B. No. 1738**

The purpose of this bill is to clarify the program definitions and functions of the Community-Based Economic Development Program (CBED), and to ensure its continued success.

After three years of experience in administering the CBED program, the Department of Business, Economic Development, and Tourism (DBEDT) has found that the program could be more effective by clarifying its definitions and functions, and by more clearly portraying the needs of the community-based organizations involved in the initiatives. The proposed legislation will more clearly define the CBED process and the types of organizations involved and further develop a wide range of mechanisms which will support the CBED efforts.

Your Committee is in agreement with advocates in support of this bill who believe that community-based economic development has the potential to create opportunities for local residents to participate in a number of activities that would be culturally and economically beneficial. DBEDT and the Office of Hawaiian Affairs (OHA) support this bill as it proposes key amendments which will clarify the CBED programs, promote broader community representation, and include a representative from OHA.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1738 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 342 Economic Development on S.B. No. 1896**

The purpose of this bill is to appropriate \$150,000 to the Department of Business, Economic Development, and Tourism (DBEDT) to establish a trade office in the Philippines.

DBEDT testified that the State recognizes the great potential of mutually beneficial commercial activity between Hawaii and the Philippines. DBEDT supports the intent of the bill and has been looking into a number of areas of potential benefit to Hawaii and the Philippines.

Committee members and testifiers cited the great economic opportunities opening up in the Philippines and the excitement the Filipino Government has expressed toward the State of Hawaii's participation in fulfilling this potential economic growth. Your Committee feels that the time to act upon this opportunity is now, while the Filipino Government is excited and receptive of Hawaii's participation and the potential is bountiful.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1896 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 343 Economic Development on S.B. No. 1927**

The purpose of this bill is to promote Hawaii's role in international trade by establishing Hawaii as an international business center providing trade and business assistance to Hawaii firms seeking to expand into overseas markets.

Your Committee received overwhelming testimony in support of this bill and the establishment of an international business center of Hawaii. Supporters felt that international trade is vital to the well being of the State, and that efforts must continue to diversify and support Hawaii's economy.

Your Committee made amendments to the bill upon considering the close relationship between trade and investment. Amendments were made by adding language which included the support of overseas investment programs as a means of expanding business in the State. Language establishing an international business center of Hawaii was deleted, and other technical, nonsubstantive amendments were made for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1927, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Tam).

**SCRep. 344 Judiciary on S.B. No. 85**

The purpose of the bill, as received by your Committee, is to grant prompt judicial review of bail amounts set for arrested persons being held in custody because of their inability to post bail.

Your Committee finds that prompt judicial review of bail amounts set for persons held in custody would serve the public interest. Your Committee received testimony in support of the bill from the department of public safety, the corrections population management commission, the attorney general, the public defender, and the American Civil Liberties Union. The Honolulu prosecutor and the judiciary supported the bill with reservations because of the burden the measure may impose on the court's calendar and resources.

Upon further consideration, your Committee amended the bill as recommended by the pretrial subcommittee of the corrections population management commission, which is comprised of individuals from the judiciary and law enforcement communities. The amendments establish a definite period within which to complete the bail review, and require the department of public safety to provide the parties and court with a written or oral bail report before the review.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 85 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 85 S.D. 1 and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 345     Housing on S.B. No. 1912**

The purpose of the bill is to amend section 521-7, Hawaii Revised Statutes, to exclude the tenancy of an employee whose tenancy is conditional upon employment, or for a period up to four years after employment has been terminated if there is a plan to transfer the dwelling unit or property to the occupant/employee.

Testimony in support of this bill was submitted by the International Longshoremen's & Warehousemen's Union (ILWU) Local 142.

Testimony indicated that this measure would allow entities which have assumed responsibility or ownership of former employee housing to have the same exemption from the Landlord-Tenant Code as would a company providing employee housing. This would relieve an entity such as the Hamakua Housing Corporation of the responsibility and expense of bringing deteriorating plantation homes and vastly inadequate infrastructure up to standards acceptable under the Code. Such a requirement would be highly prohibitive to efforts by such nonprofit organization like Hamakua Housing Corporation and could mean the closure of the camps themselves with subsequent of eviction the former employees.

Your Committee finds that employee housing is rarely provided these days, with the exception of the sugar and pineapple plantations. Though the housing may be substandard, the need to preserve these homes is great.

Technical, nonsubstantive amendments to the bill have been made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1912, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1912, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 346     Ways and Means on S.B. No. 304**

The purpose of this bill is to comply with the constitutional requirement relating to legislative measures authorizing the issuance of general obligation bonds.

Your Committee finds that this bill complies with Article VII, section 13 of the State Constitution which requires a declaration of findings in every general law authorizing the issuance of general obligation bonds, that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued, and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance. The passage of this bill ensures the availability of a vehicle to fulfill the intent of this constitutional requirement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 304 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

#### **SCRep. 347     Ways and Means on S.B. No. 305**

The purpose of this bill is to provide each qualified, resident individual taxpayer with an unspecified general income tax credit that is deducted from the taxpayer's income tax liability.

In addition to specifying the manner in which the foregoing tax credit is to be computed, this bill requires a taxpayer to meet a specific residency requirement in order to qualify for the tax credit.

Your Committee finds that Article VII, section 6, of the Constitution of the State of Hawaii requires the legislature to provide for a tax refund or tax credit 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 also finds that the foregoing conditions have been met, and that a tax refund or tax credit must be provided for the taxable year beginning January 1, 1995.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 305 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 348 Ways and Means on S.B. No. 1566**

The purpose of this bill is to conform the Hawaii income tax law to amendments made to the Internal Revenue Code during the 1994 Congressional session.

Section 235-2.5(c), Hawaii Revised Statutes, requires the department of taxation to make an annual review and recommend appropriate legislation to conform the state income tax law to the Internal Revenue Code. Conformity with the Internal Revenue Code minimizes the taxpayers' burden in complying with Hawaii's tax law.

Amendments and additions to the Internal Revenue Code that affect Hawaii's income tax law relate to funding, distribution, and other requirements for qualified pension plans and the determination of the amount of gain a partner must report upon the distribution of marketable securities by a partnership.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1566 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 349 Ways and Means on S.B. No. 1567**

The purpose of this bill is to increase the fee for dishonored checks tendered to the State from \$7.50 to \$15, and to permit interest on that penalty for payments tendered to the department of taxation.

Your Committee finds that the fee increase is consistent with rates generally charged by financial institutions. Your Committee also finds that the imposition of interest on that penalty is appropriate and will serve as an incentive for the prompt repayment of debts due the State.

Your Committee has amended the bill by extending the imposition of interest on the penalty to all dishonored negotiable instruments paid to the State, not just to those tendered to the department of taxation. Your Committee has also required that the department of the attorney general assist the other state departments in collecting the penalties and interest due and owing.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 350 Ways and Means on S.B. No. 1575**

The purpose of this bill is to change the method of computing the penalties charged to persons who underpay their estimated income tax payments.

The state income tax law generally requires payment by payroll withholding or estimated payments. A taxpayer is subject to an underestimation penalty if the amount of outstanding taxes due exceeds \$500. The penalty for underpaying estimated taxes is currently eight per cent a year on the amount of the underpayment.

This bill changes the statutory rate of the penalty to two-thirds of one per cent a month, or fraction of a month, which amounts to the same annual percentage. The computation of the rate on a monthly basis conforms the statutory requirements to the department of taxation's computer capabilities. As such, your Committee finds that this amendment will help the department to administer the income tax law more efficiently and effectively.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1575 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 351 Ways and Means on S.B. No. 1577**

The purpose of this bill is to allow the director of taxation to require certain taxpayers to remit taxes by means of electronic funds transfer, as prescribed by rules.

The bill also allows taxpayers not required to remit taxes by electronic funds transfer to elect to do so, with the approval of the director of taxation. Finally, the bill defines the term "electronic funds transfer" to encompass various methods.

Your Committee received supporting testimony from the director of taxation, testifying that the measure responds to the auditor's recommendation by significantly reducing the delay in depositing tax receipts into the State's account. The Tax

Foundation of Hawaii (TFH) agreed that electronic funds transfer would enhance the State's cash flow. However, the TFH urged care in granting such blanket authority for several reasons. First, not all taxpayers required to do so may have the capacity to arrange for electronic funds transfer. Second, because electronic funds transfer payments are immediately debited from taxpayers' accounts, taxpayers would have an incentive to file as late as possible in order to enhance their own cash flows. This, in turn, would minimize the cash flow advantage to the State. In addition, it may also generate a huge crush toward the tax filing deadline and create an undue administrative burden on the processing of returns that may not otherwise come about.

Your Committee is mindful of both the auditor's recommendations to reduce delays in depositing tax receipts as well as the general financial situation of the State. However, your Committee finds that granting the director of taxation the authority to require certain taxpayers to remit taxes by electronic funds transfer is not warranted at this time. Many questions regarding the rationale for the granting of such authority remain to be answered. It is not clear which taxpayers will be required to remit taxes via electronic funds transfer. It is not clear that requiring taxpayers who owe relatively small amounts to do so would be fair to those taxpayers, on the one hand, and be significantly cost-effective for the State, on the other. Your Committee is not averse to the general concept of using electronic funds transfers and is willing to reconsider if relevant information is provided to the Committee.

Accordingly, at this time, your Committee has amended this bill to make remittance of taxes via electronic funds transfer voluntary for any taxpayer, rather than granting the department of taxation the authority to require a taxpayer to do so.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1577, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

#### **SCRep. 352 Ways and Means on S.B. No. 1578**

The purpose of this bill is to allow the department of taxation to impose fees to recover costs incurred in the collection of taxes and administration of tax laws.

Specifically, this bill allows the department to charge and add a fee to any amount of tax due for the purpose of administering the tax law, including: (1) any amount of tax, penalty, addition to tax, interest, or other liability imposed, unpaid when due; and (2) any amount arising from actions taken to enforce the collection of taxes, including levy, seizure, foreclosure, and similar actions, which may include attorneys' fees, collection agency fees, and similar fees incurred by the department.

This bill also authorizes the department to charge a fee for processing certain documents and providing certain services, including allowing taxpayers to enter into installment agreements with the department to make installment payments on delinquent taxes; processing certain exemptions, applications, and tax clearances; reissuance of tax licenses; and exceptional assistance in preparing taxpayers' returns and other taxpayer services.

Your Committee finds that this administration-sponsored measure would allow the department to impose fees to recover costs incurred in the collection of taxes and for various taxpayer services. Among the services for which fees would be imposed are those responding to letters requesting written determinations or rulings. The department's technical review office receives approximately seven hundred such letter requests annually, seeking official written documentation of the applicability of the laws affecting a taxpayer's situation. The department currently responds to these requests in a timely and professional manner without imposing a fee for these services.

While your Committee is mindful of the significant volume of requests received by the department of taxation for letter rulings and other taxpayer assistance, all of which is performed free of charge to taxpayers or their authorized representatives, your Committee nonetheless believes that these services are a necessary and important part of the public services provided by the department and should continue to be provided by the department without the imposition of a fee. Your Committee is uncomfortable with imposing these additional burdens on taxpayers, since taxpayers ultimately depend on these rulings for tax filing purposes. As a general proposition, and especially during a time of fiscal restraint, your Committee seeks to encourage full compliance with the State's tax laws. Shifting part of the financial burden onto those seeking assistance from the department in complying with the tax laws, thereby placing another obstacle to be overcome in filing, may have the unintended effect of discouraging full compliance. Your Committee has therefore amended the bill accordingly to delete the authority of the department to charge fees for various taxpayer services.

Your Committee has further amended the bill by deleting the department's authority to charge and add a fee to amounts due for administering the tax law, but has retained the department's authority to add fees to amounts arising from actions taken to enforce the collection of taxes, including attorneys' fees, collection agency fees, court filing fees, recording fees, and other similar fees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1578, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 353 Ways and Means on S.B. No. 1763**

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.

Your Committee finds that this bill is necessary to meet the State's obligations with respect to judgments and settlements of claims against the State.

Your Committee has adopted the recommendations of the attorney general that appropriations for two additional claims be added (for Tanya Felix in the amount of \$20,000 and for Hawaiian Cement in the amount of \$18,765.47) and that the following two corrections be made:

- (1) Decreasing the amount of the claim for Sharla C. Simpson from \$69,142.67 to \$68,038.40 due to an error in interest computation; and
- (2) Increasing the amount of the claim for Eric Schroeder by adding interest of \$3,528.76 to the principal sum of \$140,000, as required in the settlement agreement.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1763, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Liu).

**SCRep. 354 Human Services on S.B. No. 632**

The purpose of this bill is to appropriate funds to support of the Hawaii Long Term Care Reform Task Force.

This bill also encourages the participation and cooperation of state agencies and the legislature and the participation and financial support from the private sector.

Your Committee finds that it is a matter of compelling state interest to assure a system of long-term care services to Hawaii's growing elderly population and their families that is affordable, available, and of high-quality. When nursing facility or other long-term care services become necessary in someone's life, a number of problems confront a family, including family adjustment to a difficult situation, social and psychological impact on the family, and the high costs which threaten to deplete a family's financial resources. To handle these problems, caregivers often have to radically alter their lives, including reducing or giving up employment which leads to a lower standard of living for themselves, reduced pension benefits, and loss of career.

Your Committee further finds that average annual nursing home charges exceed the ability to pay for most families. Statistically, persons sixty years of age or older presently account for almost one-fifth of the adult population of the State. By the year 2020, they will constitute more than one-fourth of Hawaii's adult population, and nearly one-third of them are expected to have functional disabilities necessitating nursing care or other daily assistance.

In response to this dire social and economic outlook, the Honolulu Japanese Chamber of Commerce formed a long-term care task force in 1993 to identify, study, and address issues and problems of long-term care. The task force concluded in part that Hawaii needs concerted leadership to study and understand the needs, costs, and financial resources associated with long-term care for the next twenty years. Unfortunately, after making notable progress in identifying what needs to be done for now, the task force did not have the financial resources and long-term care expertise to continue.

Succeeding to the task force is a nonprofit organization, The Caring...For Life Foundation, to carry out the mission and objectives of the task force. In addition, the Foundation acts as a clearing house to gather and disseminate information relating to social, recreational, educational, healthcare, and other services for senior citizens; assists in the development and improvement of methods for providing long-term care protection; provides social, recreational, and other benefits to senior citizens to improve their health and welfare; conducts or assists in research projects in geriatrics and gerontology; and does whatever else is important to promote and enhance the quality of life for senior citizens residing in Hawaii.

Your Committee believes that The Caring...For Life Foundation fills a void in providing a necessary public service which the State would otherwise have to provide. This appropriation would enable the Foundation to bring back the task force to continue its valuable work of drafting a blue print for the future of long-term care in Hawaii.

Your Committee has amended this bill by:

- (1) Deleting "home" and inserting "facility" to read "nursing facility";
- (2) Including other interested private individuals, groups, and agencies to the list of members of the task force;
- (3) Clarifying the funding arrangements for the task force so that the majority of funding would be from the private sector, with government resources when appropriate;

- (4) Requiring the task force to develop a prospectus prior to soliciting funds to set forth information about the task force;
- (5) Stating that a solicitation committee would be formed to solicit funds; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 632, 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. 632, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 355      Transportation and Government Affairs on S.B. No. 626**

The purpose of this bill is to amend Act 212, Session Laws of Hawaii 1994 (the early retirement law), to allow the department of transportation to retain for fiscal year 1995-1996, three positions for airports, one for harbors, eight for highways, and four for administration.

The Department of Transportation testified in support of this bill and informed your Committee that as a result of Act 212, Session Laws of Hawaii 1994, the Department has lost a total of 108 positions and is only authorized to fill 33 of those positions. In addition to the lost positions resulting from Act 212, the Department has lost an additional 191.75 positions as a result of Governor's restrictions and the elimination of emergency hires. The Department described the positions it seeks to retain as follows:

##### **Airports**

- (1) Secretary IV to the airports administrator to manage office and supervise two subordinate clerical positions;
- (2) Land agent V for the acquisition of land for new airport projects and to maintain maps of existing facilities;
- (3) General maintenance and repair supervisor to provide supervision of the general labor crew and the equipment operator crew of more than forty employees at Honolulu Airport;
- (4) Airport fire lieutenant at Honolulu Airport to supervise crash fire fighting crew; and
- (5) General construction and maintenance supervisor in Hilo to supervise forty-three employees.

##### **Harbors**

- (1) Account clerk V to prepare annual closing financial audit and financial statements which if not prepared may adversely affect ability to sell revenue bonds.

##### **Administration**

- (1) Planner VII to oversee development of complex travel forecasting models and to help formulate and recommend Departmental policy on a variety of planning issues; and
- (2) Data processing system analyst VI who is the Department's sole data base manager and establishes and enforces all database standards.

##### **Highways**

- (1) Engineer VI responsible for all construction projects on Kauai;
- (2) Engineer IV in charge of major construction project totalling \$30 million;
- (3) Land surveyor II, supervisor for only survey crew on Kauai;
- (4) Engineering technician VII, supervisor for the Hawaii district field inspection team;
- (5) Bridge maintenance worker I, one of four persons responsible for maintenance of bridges on Kauai;
- (6) Engineer III, manager of construction projects needed to maintain federal funding and inspect highway projects;
- (7) Engineer III, manager of construction projects needed to maintain federal funding and inspect highway projects; and
- (8) Engineer V, supervisor of the bridge design unit needed to insure timely completion of bridge/structural design plans.

In its testimony the Department suggested that the bill be amended to allow the Department to retain five instead of three airport positions and two instead of four administration positions. Your Committee amended the bill as requested by the Department.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 626, 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. 626, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 356      Judiciary on S.B. No. 1269**

The purpose of the bill is to appropriate funds to the office of youth services for the establishment of a forestry camp.

Your Committee believes that the creation of a boot camp operated as a forestry camp will provide an additional, cost-effective alternative to secure incarceration in a setting more conducive for redirecting and rehabilitating youths. Testimony in support of the bill was received from the office of youth services and Mr. Wayne Matsuo, retired OYS executive director.

Your Committee notes that under the leadership of Mr. Matsuo, Hawaii's juvenile justice system has received much commendation and has been recognized as one of the best in the nation. Your Committee believes that we need to build on our successes in this area, and that funding this boot camp will save the State enormous sums of money.

Testimony by OYS indicates that the cost of incarcerating the up to 80 youth who will be served by this program will be \$5.8 million. Cost of the boot camp, particularly if federal funds should be made available, would be less than 15% of this figure.

Your Committee believes that establishment of a boot camp operated as a forestry camp would be a cost-effective and timely addition to the continuum of services being provided by the office of youth services.

Your Committee has amended the bill by deleting references to the island of Molokai as the testimony from OYS indicates that the program can be located on the island of Kauai. Your Committee also deleted the reference to the length of stay at the boot camp as some youth may take longer time to complete the program, while others may be able to complete the program in a shorter period of time. Your Committee further amended the bill by providing an appropriation of \$1 for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1269, 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. 1269, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Matsunaga, Tam, Anderson).

**SCRep. 357      Agriculture, Labor, and Employment on S.B. No. 353**

The purpose of this bill is to make an appropriation for the promotion of statewide agricultural activities, specifically for the Hawaii State Farm Fair.

Your Committee heard testimony from the Hawaii Farm Bureau and N.P. Kefford which strongly supported the appropriation to promote the Hawaii State Farm Fair. Your Committee finds that the Farm Fair is a popular and important event for Hawaii residents as well as visitors. It is one of the few ways the urban population can have a direct experience with agriculture and learn about the role of agriculture. The education and awareness which the Farm Fair develops is an important asset to the community and the State.

Your Committee has amended the bill by replacing the Governor's Agriculture Coordinating Committee with the Department of Agriculture as the expending agency.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 358      Agriculture, Labor, and Employment on S.B. No. 360**

The purpose of this bill is to appropriate \$500,000 for the 1995-1997 fiscal biennium to fund research on insect and disease management for vegetable and melon crops.

Your Committee finds that the State's vegetable and melon crops have been hard hit by an increasing number of insect pests and diseases. Coupled with the cancellation of pesticides for crops, there is an even greater necessity to develop alternatives for insect and disease management.

Your Committee has amended the bill by replacing the Governor's Agriculture Coordinating Committee with the Department of Agriculture as the expending agency and adding language that expands the authorized use of funds to address other production problems as well.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 360, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 359 Agriculture, Labor, and Employment on S.B. No. 1072**

The purpose of this bill is to appropriate funds for research on pineapple pest problems.

Favorable testimony was submitted by the University of Hawaii, College of Tropical Agriculture and Human Resources, the Pineapple Growers Association of Hawaii, and the Hawaiian Sugar Planters' Association. The Department of Agriculture agreed with the intent and purpose of the bill, but for fiscal reasons could not support the bill.

According to testimony received the major pests affecting pineapple in Hawaii are ants, mealybugs, wilt, and nematodes. Good progress has been made in understanding the nature of the ant/mealybug/wilt complex. For instance, attempts to control mealybugs through the release of natural enemies may be effective only in the absence of ants which appear to give the mealybugs a reproductive advantage. There is reason to believe that continued progress in understanding the nature of the pests affecting pineapple will lead to effective pest control measures not dependant on the use of pesticides. Your Committee finds that pineapple is the second largest agricultural industry in the State and that its loss would have severe socioeconomic impacts on the State.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1072 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 360 Agriculture, Labor, and Employment on S.B. No. 1366**

The purpose of this bill is to appropriate an unspecified amount to develop biological controls for plant pests.

Your Committee finds that Hawaii is continually threatened by the introduction of new plant species. Due to a long history of isolation, Hawaii's native plants have not developed many of the natural strategies needed to compete successfully with introduced plants.

Your Committee also finds that successful efforts have been made in the past using beneficial insects and plant pathogens such as fungus to control certain plant pests biologically. Biological controls, if utilized and monitored properly, are often superior to the use of herbicides.

Your Committee believes that funding such research is necessary to protect Hawaii's native flora and fauna as well as introduced plants species that are beneficial to the State.

Your Committee has amended the bill by replacing the Governor's Agriculture Coordinating Committee with the Department of Agriculture as the expending agency.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 361 Agriculture, Labor, and Employment on S.B. No. 1420**

The purpose of this bill is to appropriate \$189,440 for fiscal year 1995-1996, and \$164,440 for fiscal year 1996-1997, to fund various fruit fly research projects.

Your Committee finds that the projects to be funded by this appropriation are under the Exotic Pest Insect Committee (EPIC). The EPIC has made good progress in coordinating state and federal contributions for projects that address the State's fruit fly problem. Initially, the emphasis of the EPIC has been on the eradication of the State's four fruit fly species. Now that this project is underway, the emphasis has been shifted to addressing the interstate and international trade quarantine problems on certain Hawaii-grown produce.

Your Committee believes that the continuation of this project is in the best interest of the State.

Your Committee has amended the bill by replacing the Agribusiness Development Corporation with the Department of Agriculture as the expending agency.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1420, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1420, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 362      Judiciary on S.B. No. 1695**

The purpose of the bill is to facilitate the availability and recruitment of eligible persons to serve as precinct officials. The bill will allow the chief election officer to contract with community organizations to provide precinct officials and other election day officials. Contracts with the community organizations would be exempt from State procurement requirements.

Testimony in support of the measure was submitted by the association of clerks and election officers of Hawaii (ACEOH) and the league of women voters of Honolulu.

ACEOH reports increasing difficulty throughout the State with regard to the recruitment and training of election day personnel. Positions are not being filled until just prior to the election, which does not allow for adequate training. Additionally, the pay being provided is apparently insufficient incentive to work our polling places on election days. Your Committee believes that this bill will go a long way to improving our recruitment of election day precinct workers.

The bill decreases the deadline for political parties to submit names of precinct officials from 90 to 60 days before the close of filing for an election. This will allow the parties 30 more days to recruit workers.

The bill permits qualification exceptions to the statutory requirements for the recruitment and placement of precinct officials, if it is determined that minority language assistance, or other official needs, warrant such waivers. The bill also allows the chief election officer to recruit precinct officials without regard to party affiliation, which will ensure the most efficient use of available resources.

Your Committee believes the bill provides the needed flexibility for necessary recruitment and training of election day personnel to ensure that the election day process will run efficiently.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1695 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 363      Judiciary on S.B. No. 443**

The purpose of the bill, as received by your Committee, is to provide notification to the community of the release of convicted sex offenders.

Testimony was received from the Hawaii paroling authority, the department of public safety, the Honolulu prosecuting attorney and the public defender. Several concerns regarding the bill were raised by those testifying. The department of public safety testified that the bill was too broad in its application and recommended that the scope of the bill be limited to those sex offender inmates who refuse treatment while in prison and those who recidivate. The Hawaii paroling authority was concerned about the difficulties the measure would pose for the re-integration into society of these sex offenders. The public defender pointed out that the community notification statutes in mainland states have been subjected to legal challenges.

Rather than allow the State to be dragged into litigation on the issue, your Committee has chosen to proceed with a registration statute which has survived all legal challenges.

Sex offenders are clearly among the most dangerous of criminals. Some of the literature indicates that there is no known cure for sex offenders, although other experts believe that with appropriate monitoring, their behavior can be controlled. Your Committee believes that special measures need to be taken to improve and enhance the ability of law enforcement agencies to monitor these individuals, particularly those who have refused treatment while in prison and those who are re-offenders.

This bill requires that each person in charge of a jail, prison, hospital, school or other institution to which the sex offender has been committed must require the individual to indicate on a registration statement the address at which the sex offender expects to reside upon discharge, parole or release.

The sex offender must register with the county chief of police within forty-eight hours after arrival in the county where the offender resides or is present temporarily. Within five calendar days of any change of address, the sex offender is required to notify the chief of police in writing of the change in address. The chief of police is then required to forward the registration data to the chief of police having jurisdiction in the area of the new residence. Failure to comply with the registration requirements will subject the individual to a term of imprisonment of up to one year in jail, or a fine of up to \$10,000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 443, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

**SCRep. 364 Judiciary on S.B. No. 464**

The purpose of the bill is to require that a special election be held when a legislative vacancy occurs. Current law allows the governor to appoint a replacement if the vacancy occurs more than fifty days prior to the general election.

Your Committee believes that legislative vacancies should be filled by a vote of the people as much as possible and that, if necessary, a special election should be held to select the people's representatives.

The bill provides that: (1) whenever a legislative vacancy exists, the chief election officer shall issue a proclamation for a special election; (2) the proclamation shall be issued not later than on the sixtieth day prior to the special election to fill the vacancy; and (3) the governor shall make a temporary appointment to fill the vacancy until the special election is held.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 365 (Joint) Judiciary and Education on S.B. No. 942**

The purpose of the bill is to transfer the jurisdiction of school security attendants from the department of education to the department of public safety, establish a continuous training program for security attendants, and appropriate funds for the operation of the new program.

Testimony in support of the bill was received from concerned sophomores and juniors at Kaimuki High School. A concerned parent from the school also testified in support of the bill.

The students testified that there was unacceptable amount of violence on campus - beatings, hijackings, stabbings, shootings, so much so that some students are fearful of going to school. Students are present in school, but not in class and there is no adequate policing of this on-campus truancy. The students' research indicated that there have been 14 lawsuits against the DOE for not having properly-trained security attendants. 9 have been settled out of court, with total settlements amounting to \$555,000. One case is in the process of settlement for \$1,000,000.

Your Committee is dissatisfied with the DOE's response that as a result of lump sum budgeting, the responsibility lies with the individual schools. Your Committee believes that the DOE has failed the students in meeting their management responsibilities in this important area and the testimony by the students about the state of campus security, at least at Kaimuki High, is a searing indictment of the DOE's failure in this area.

Your Committee believes that campus security need to receive much more training than the 20 hours total they receive to be effective. Training in the search and seizure laws, giving campus security personnel the power of arrest, providing them with conflict intervention training, CPR and First Aid, working knowledge of Chapter 19, courses in self-defense are suggestions that the students have made. Simple things that you would assume could be obtained from the DOE's budget like walkie-talkies would be helpful.

The issue for your Committee is whether the DOE has the will to deal with campus security and make our public high schools safe places to learn and grow. Sadly, your Committee finds that the DOE does not. Your Committee further finds that the expertise, structure and support needed to make meaningful improvements in this important area does not exist.

As affirmed by the record of votes of the members of your Committee on Judiciary and Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Bunda, Kawamoto, Anderson).

**SCRep. 366 Judiciary on S.B. No. 1219**

The purpose of the bill, as received by your Committee, is to create a new source of funding for legal services to indigent persons by charging a fee to persons filing in the district and circuit courts.

Your Committee received much testimony in support of this measure - the judiciary, the Hawaii commission on access to justice, the Hawaii justice foundation, Hawaii state commission on the status of women, domestic violence legal hotline, legal aid society of Hawaii, maximum legal services corporation, life foundation, na loio no na kanaka, Hawaii lawyers' care and several private individuals provided supportive testimony. Members of the Hawaii collectors' association testified against the bill, indicating that the \$10 surcharge will increase their cost of doing business.

As testified to by the Hawaii commission on access to justice, less than 10 per cent of Hawaii's poor receive assistance with their civil legal problems, one of the poorest records of any state in the nation. Hawaii's existing indigent legal services providers are currently struggling to improve this percentage, but as the need for their services grows, they will not be able to do so without some additional source of funding.

Your Committee has amended the bill as received by imposing a \$25 fee on all circuit court initial pleadings, demands for jury trial and appeals to the Supreme Court. Your Committee has imposed a \$15 surcharge on all civil summons and a \$10 surcharge on all subpoenas filed in circuit court proceedings.

Your Committee agrees that imposing a surcharge on all district court filings will increase the cost of doing business for all collection agencies. Your Committee believes that imposing a surcharge on initial pleadings before the family court could impose a burden on those who may be least able to afford it. No surcharge will be imposed on small claims court filings, nor will any surcharge be imposed against any party who has received the court's permission to proceed in forma pauperis.

Your Committee believes that by limiting the surcharge to filings in the circuit courts and to appellate filings in the supreme court, the burden will be borne by those best able to afford the surcharge.

Your Committee has also amended the bill by requiring that the fund be administered by the judiciary in accordance with Chapter 42D, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1219 S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 367     Judiciary on S.B. No. 1691**

The purpose of the bill is to transfer the state commission on the status of women to the office of the lieutenant governor.

Your Committee finds that there is a ongoing need to continue the implementation of the governor's order on May 15, 1964, which established the commission. The commission serves a unique function by providing an independent, community-based advocacy for women and girls in our State.

Your Committee also finds that the commission plays an important role in the development of legislative policy on issues of great concern to the women of our State. With broad-based membership comprised of department and agency heads and up to eighteen members of the public, the commission has successfully and effectively promoted women's issues and consciousness about women's issues throughout our State.

Your Committee further finds that the commission's services are needed as a statewide clearinghouse of information on women's issues; a lead agency in legislative and public policy advocacy at the state level; and a coordinator of activities and communication between public and private sector groups and programs.

In addition, your Committee has amended the reference to executive secretary and replaced it with executive director as a result of a position reclassification by the department of human resources development.

Your Committee has also amended the bill by reducing and limiting the membership of the commission to fourteen members, of which there will be seven ex-officio members and seven members appointed by the governor. Of the seven members, there shall be at least one member from each of the neighbor island counties and four from Oahu.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1691 S.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, Matsuura).

**SCRep. 368     Judiciary on S.B. No. 1951**

The purpose of this bill is to bring about campaign spending reform. As its major features, this bill: (1) creates an independent, nonpartisan commission, (2) improves the quality and amount of information available to the public, (3) curbs the reality and perception of undue influence of special interests, (4) controls campaign spending, (5) levels the playing field, and (6) promotes the code of fair campaign practices.

As noted in the 1993 publication by the Center for Responsive Politics: "Enforcing the Campaign Finance Laws: An Agency Model", the achievement of political reform is a two-step process. First, comprehensive campaign finance reforms must be adopted to curb the impact of special interest money on the electoral process. Second, effective enforcement must be ensured through the creation of an independent, nonpartisan agency which is given both the mandate and the means to rigorously enforce the laws.

Your Committee recognizes that contributions to political campaigns is a legitimate form of participation in the political process, while at the same time money can be a corrupting influence. The financial strength of certain individuals or organizations should not permit them to have a controlling or disproportionate influence on the election process. The rapidly rising costs of political campaigns force some candidates to raise money from interest groups with a financial stake in matters before the government. This has caused the public perception that votes are being improperly influenced by contributions, and it is this perception that is undermining the credibility and integrity of the governmental process.

Candidates rely less on small contributions from constituents and more on large individual and organizational contributions. This factor creates the public impression that the small contributor has an insignificant role to play in political campaigns.

Public confidence in elected officials and the integrity of the governmental process is increased considerably by requiring full disclosure of contributions and expenditures. This bill will introduce technology to enable full public access to all records of contributions and expenditures by candidates and reporting by major contributors.

Your Committee finds that this bill takes a significant step toward restoring public confidence in the integrity of the election process. Public interest groups such as the League of Women Voters, Common Cause of Hawaii, political parties such as the Democratic Party of Hawaii, and the campaign spending commission, provided testimony in strong support of the major changes proposed in this bill.

This measure will make the campaign spending commission an independent, nonpartisan agency, headed by individuals who are committed to active enforcement of the law, and to the fullest extent possible, insulate the agency from political pressures, and provide the agency with the enforcement authority necessary to promote compliance.

This bill will ensure that individuals and interest groups have a fair and equal opportunity to participate in the election process.

Enactment of this bill will reduce the influence of large contributors with a financial stake in matters before government, and counter the perception that decisions are influenced mainly by the size of the contributions, rather than the best interest of the people.

The bill provides for more public financing of political campaigns, allowing candidates to communicate their views and positions adequately to the public without excessive expenditures or large contributions, and thereby promote greater public discussion of the important issues involved in political campaigns.

Finally, the amendments to current law will provide a meaningful neutral source of campaign financing by allowing individual taxpayers to voluntarily dedicate a portion of their taxes to defray a portion of the costs of campaigns.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1951, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 369 Ecology and Environmental Protection on S.B. No. 201**

The purpose of this bill is to promote environmental education. This is accomplished by:

- (1) Establishing within the department of land and natural resources:
  - (A) A clearinghouse for environmental education, to include a reference library and database;
  - (B) An environmental education council; and
  - (C) Creating the position of and the hiring of an environmental education coordinator.
- (2) Appropriating \$100,000.

Your Committee finds that Hawaii's energy resources and physical environment must be managed and protected in a manner that ensures the health, safety, and welfare of the public, and also preserves our limited natural resources for future generations.

Your Committee received testimony from the office of environmental quality control indicating that they are already in the process of working with the Hawaii environmental education association to establish an environmental education clearinghouse within the office of environmental quality control.

Your Committee finds that there is a need to coordinate and consolidate the State's environmental goals, objectives, and priorities, and has therefore amended this bill by deleting the provisions for the creation of the environmental education clearinghouse and adding provisions for the creation of an environmental task force. The task force will be community-based, with representation from all four counties in the State. It is the intent of this Committee that the creation of this task force will lead to more cohesive, cost-effective environment management techniques, including the eventual creation of environmental community based management advisory groups.

Your Committee has further amended this bill by allowing the governor's office to receive and expend monetary gifts and donations for the funding of the environmental task force.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 201, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 370 Ecology and Environmental Protection on S.B. No. 202**

The purpose of this bill is to promote environmental education initiatives and programs by amending sections 344-3 and 344-4, Hawaii Revised Statutes, requiring that the State promote and actively support: cooperative initiatives with the private sector; the development, adoption, and implementation of a statewide plan for environmental education; development of a statewide database; providing pre-service and in-service teacher training; and establishing post secondary training programs to provide qualified personnel.

Your Committee finds that prevention, through environmental awareness and education, is the most effective method for protecting the environment.

Your Committee received unanimously favorable testimony on this measure from various state agencies and the Green Valley Conservancy.

Your Committee finds that there are private organizations willing to support environmental education efforts through funding or volunteer time.

Your Committee further finds that working with existing environmental education and awareness programs, entering into an era of cooperation between the public, private sector, and government, providing public officials and others in the public eye the training and opportunity to educate others, has the potential to economically further the State's environmental policy.

This bill has been amended by your Committee by providing funding for the promotion of environmental education and awareness, by inserting a preamble section, by allowing the receipt of monetary donations and gifts, and by making other technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 202, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 371 Health on S.B. No. 437**

The purpose of this bill is to provide grants for communities to institute drug and alcohol abuse deterrence programs.

Specifically, the bill establishes the Community Mobilization Funding Act which among other things:

- (1) Establishes a Community anti-substance abuse grant program within the Department of Health; and
- (2) Provides financial assistance to communities in their efforts to reduce alcohol and substance abuse.

Your Committee finds that incidence of substance and alcohol abuse has spread throughout all communities of the State like an insidious plague that endangers and affects everyone. The enactment of measures such as this will help communities cope through innovative enforcement activities and rehabilitation programs for recovering substance abusers.

Your Committee has amended the bill by:

- (1) Changing references to "grants" to "funds" as necessary;
- (2) Deleting the reference to allowing services funded by the bill to provide meaningful consequences for participation in illegal activities;
- (3) Removing the requirement that applicants for funding possess a prior record of leadership through education, law enforcement, local government, or as treatment entities in the community so as to not preclude any potential applicants from seeking funding;
- (4) Removing the requirement that applicants for funding designate a fiscal agent that meets state requirements;
- (5) Removing from the criteria for receiving funding the necessity for comprehensive planning, community input, and partial local matching funds prior to the receipt of state funding as these criteria are already contained in the section on minimum qualifications for applying for funding;
- (6) Removing the requirement that not more than fifty percent of the funds appropriated be awarded on a per capita basis to a county or a group of communities;
- (7) Deleting the requirement that program-funded activities be subject to the same terms and criteria as new activities in order to receive subsequent program funding, thereby providing the Department of Health with more flexibility to administer the program; and
- (8) Making numerous stylistic amendments for the purpose of conformity and clarity.

Your Committee believes that the establishment of such a program is vital to the well-being and long term stability of the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 437, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 372 Health on S.B. No. 786**

The purpose of this bill is to make an appropriation out of the general revenues of the State of \$231,511, or so much thereof as may be necessary for fiscal year 1995-1996, to Hawaii county for the provision of twenty-four hour aeromedical response services by the Hawaii county fire department.

Your Committee finds that twenty-four hour aeromedical response services are needed to better serve the emergency health needs of Hawaii county residents, many of whom reside in isolated rural areas. Your Committee notes that the department of health amended its written testimony and has no objections regarding the personnel, patient, and public safety during night flights which may be required as part of this twenty-four hour service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 786 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 373 Health on S.B. No. 880**

The purpose of this bill is to establish a Rural Health Program within the Department of Health (Department).

Your Committee finds that although Hawaii is known throughout the world as the "Health State," health services are disproportionately allocated throughout the State, and are only accessible to a limited extent in rural areas.

In 1989, in an effort to alleviate this problem, the Legislature requested the Department to review and evaluate health needs and services in the State's rural areas. The Department's 1990 report to the Legislature concluded that the numerous unmet health needs of the State's rural areas required a concerted multi-agency effort to bring the goal of equal access to health services to fruition.

As a further response to providing needed health services to the State's rural areas, the Department successfully applied for federal funding to establish a State Office of Rural Health whose purpose would be to promote and provide needed health services to rural communities.

Your Committee believes that the establishment of such an entity within the Department is essential to the well-being of the State's rural communities.

Your Committee has amended the bill by providing for the establishment of a State Office of Rural Health as a partnership between the Department and the University of Hawaii at Hilo, and by making conforming changes throughout the bill. Your Committee has also made several stylistic, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 880, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 374 Health on S.B. No. 1023**

The purpose of this bill is to require the director of commerce and consumer affairs to establish standards for the certification of qualified managed care plans to ensure patient protection, physician and provider fairness, utilization review safeguards, and coverage options for all patients, including the ability to enroll in a point of service plan. This bill also requires plans to provide prospective enrollees with information regarding plan terms and conditions to allow informed decisions about accepting a certain system of health care delivery, to demonstrate that they have adequate access to physicians and other providers, and meet financial reserve requirements. This bill also requires the director to establish standards for the certification of qualified utilization review programs.

Your Committee received testimony both in favor of and in opposition to this bill, and finds that, in general, Hawaii currently has an efficient, effective, high quality health care delivery system. Further, your Committee finds no substantive evidence of widespread unfair managed care practices. In light of these findings, your Committee believes that many of the provisions of this bill may overly burden and make managed care plans more costly without guaranteeing that health care quality will increase.

Consequently, after due consideration, your Committee has substantially amended this bill to cover only the appeals process under managed care plans and utilization review programs. All other sections of the bill have been deleted.

In particular, your Committee has made amendments that permit termination of physician contracts for cause to include consideration of the need to reduce physicians based on reductions in membership or other economic factors which may adversely affect the overall quality of service provided by the plan, violation of administrative rules, and failure of physicians to meet plan performance or quality standards. The bill as amended shall be effective January 1, 1996, shall be repealed January 1, 1998, and shall not apply to physician employees.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1023, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 375 Health on S.B. No. 1461**

The purpose of this bill is to require all programs and services for persons with developmental disabilities or mental retardation which fall under chapter 333F, Hawaii Revised Statutes, to be provided not later than June 30, 1998, by the private sector, including services presently provided at Waimano Training School and Hospital.

This bill also attempts to maximize Title XIX federal reimbursements by requiring the Department of Health to use a minimum of eighty percent of its funds for community services as state matching funds for Title XIX medicaid waiver programs. The Home and Community-Based Services Waiver program receives a fifty percent match from the federal government for every dollar provided by the State.

This bill also repeals applicable sections of the Hawaii Revised Statutes relating to Waimano Training School and Hospital, essentially closing the facility by January 1, 1998.

Your Committee finds that the Developmental Disabilities Division's role should be an administrative one in coordinating, monitoring, evaluating, and setting direction for a comprehensive system of supports and services for persons with developmental disabilities or mental retardation. Your Committee believes that this bill promotes the provision of quality services to the developmentally disabled population by privatizing programs, maximizing the utilization of federal matching funds, facilitating the eligibility determination process for service applicants, and ensuring that the Developmental Disability Division maintains its support services.

Your Committee has amended this bill by:

- (1) Providing that when the private sector does not provide or is not able to provide the necessary services after the department's request for private service providers, the department shall provide the services on an interim basis, and shall develop a plan to create services and resources necessary within the private sector; and providing further that in order to develop a plan the department shall convene a panel within thirty days comprised of consumers, families, and representatives from the private sector, professionals, representatives of the University of Hawaii Affiliate Program, and the State Planning Council on Developmental Disabilities;
- (2) Clarifying that the department shall ensure provision of appropriate services and care within the limits of state and federal resources allocated or available for the purpose of chapter 333F, Hawaii Revised Statutes; and
- (3) Deleting the requirement that the department use a minimum of eighty percent of its funds for community services as state matching funds for Title XIX medicaid waiver programs, and instead requiring that the department maximize its funds for such purpose, for other governmental finance participation programs, and private finance programs as necessary and when possible; and further providing that only those individuals not medicaid eligible for waiver services or other federally reimbursed programs shall receive services and supports with one hundred percent state funds.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1461, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 376 Health on S.B. No. 1473**

The purpose of this bill is to appropriate funds to purchase a dialysis machine to serve the North Hawaii community.

Your Committee finds that requiring North Hawaii residents to travel into Hilo or Kona to obtain dialysis treatment is an unnecessary hardship. Providing dialysis treatment in the North Hawaii community will relieve dialysis patients from making the tiresome and stressful trip.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1473 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 377 Health on S.B. No. 1479**

The purpose of this bill, as received by your Committee, is to appropriate \$6,800,000 for fiscal year 1995-1996, for various capital improvements to Maui Memorial Hospital.

Your Committee finds that Maui Memorial Hospital (Hospital) is the major medical center on the island of Maui. In recent years, the tremendous population growth on the island of Maui has placed an enormous strain on the provision of medical services, thereby prompting the need for expansion of the Hospital's facilities.

Upon further consideration, your Committee has amended this bill by deleting its contents and substituting therefor the following projects, which your Committee has deemed as priority:

1. Temporary/new kitchen facility	\$2,300,000
2. Fourth floor expansion	1,900,000
3. Second floor expansion	1,000,000
4. Renovation master plan	250,000
<b>TOTAL</b>	<b>\$5,450,000</b>

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1479, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 378 Health on S.B. No. 1519**

The purpose of this bill is to establish the Hawaii health care data task force.

The task force is to be within the Department of Health for administrative purposes. Members will be appointed by the Director of Health and will consist of consumers, health insurance carriers (including health maintenance organizations and fee for service carriers), and representatives from the medical and hospital professions, business groups, research organizations, technical experts, and public officials. The task force will consider various issues relating to the development of a public health care dataset for the establishment of a uniform health care data system of collection, analysis, and public dissemination.

Your Committee believes that publicly available data on health care would serve to increase accountability of the medical profession, facilitate informed consumer decision making, and reduce the necessity for direct regulation of fees and rates.

It is the intent of your Committee that physicians, nurses, and other health care providers be included in the task force. The task force is to report its findings and recommendations to the Legislature before the 1996 Regular Session.

Your Committee has amended this bill by clarifying that health maintenance organizations and fee for service carriers shall be included as health insurance carriers and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 379 Health on S.B. No. 1520**

The purpose of this bill is to allow the Department of Health to create a uniform claims form and establish a public health data set for health assessment and policy development.

Your Committee received testimony in strong support for a uniform claims form. Supporters believe it would develop a more efficient claims system by streamlining both the public and private systems. Those opposed to the bill believed that there were already standard forms available and that this proposed legislation would create unnecessary duplication.

Your Committee amends this bill by making various technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1520, S.D. 1, and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 380 Health on S.B. No. 1521**

The purpose of this bill is to safeguard the use of physician-specific aggregate data by deeming this data as not subject to discovery or admissible evidence in a judicial or administrative proceeding.

Your Committee finds that there are increasing demands for the public accountability of the medical profession from consumers, corporate purchasers of health care, and publicly supported health programs. Consumer advocates, health care providers, health insurance companies, and governmental entities also want information related to quality and costs of care provided by both hospitals and physicians in order to make informed purchasing decisions. In order to encourage the proper use of data collected for valid purposes, the safeguards contained in this bill are needed to protect the confidentiality of individuals and prevent the misuse of data.

Your Committee has amended the bill by expanding the protection provided under this bill to all health care professionals and adding an exception to the confidentiality that allows collected data to be used in quality assurance activities which may involve judicial or administrative proceedings.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1521, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 381 Health on S.B. No. 1674**

The purpose of this bill is to provide the State's community hospitals with additional exemptions and powers to further improve the administration and delivery of health care services by Hawaii's public hospital system.

In particular, this bill provides for the establishment of hospital operations funds which will allow each community hospital to establish checking accounts at commercial banks for the purpose of expediting payments of less than \$10,000 for goods and services.

This bill further provides for an exemption for the Division of Community Hospitals from the requirement that it transfer five percent of its special fund revenues to offset the central services expenses of the State. In addition, an exemption from departmental administrative expenses is provided.

This bill also allows the Division of Community Hospitals to transfer special fund appropriations among the hospitals to better address emergency situations, and clarifies the Department of Health's authorization to enter into participating provider agreements, such as Medicare, Medicaid, Kaiser, HMSA, Health Quest, and other programs which may involve the community hospitals receiving less than authorized charges.

This bill further permits increases in rates, rents, fees, and charges by up to five percent per fiscal year, and provides a waiver from the bid and preference requirements of the Hawaii public procurement code. This bill also corrects the omission in current law of the Deputy Director for Community Hospitals within the Department of Health as a Chief Procurement Officer.

Finally, this bill provides the community hospitals greater flexibility in deleting uncollectible accounts following one year of delinquency, instead of two years under current law; designates positions rather than employees as being essential in the event of strikes; exempts eligible vacancies within the Division of Community Hospitals from the position reductions specified in Act 212, Session Laws of Hawaii 1994; and allows the Division of Community Hospitals to trade-off and transfer positions within existing authorized position counts.

Your Committee finds that there is a public need for more efficient and autonomous operation of the State's community hospital system, and believes that the provisions contained in this bill will promote such operation and increase financial self-sufficiency, while upholding the State's commitment to serve the indigent population.

Your Committee has amended this bill by:

- (1) Making changes to conform the bill to the suggested legislative drafting format, including combining separate sections of the bill amending the same section of the Hawaii Revised Statutes;
- (2) Providing that the Department of Health shall provide a factual, statistical report, rather than an annual report, to the governor and legislature describing the activities involved in each of the thirteen hospital operations funds by December 15 of each year for the preceding fiscal year. This is meant to assure that expenses are not incurred for a colorful, glossy, "picture-book" type of promotional document;

- (3) Clarifying that the Division of Community Hospitals shall have the flexibility to transfer special fund appropriations among community hospital division facilities located within the same county, as applicable;
- (4) Deleting provisions dealing with "essential positions", and rights and prohibitions in strikes;
- (5) Providing that the Division of Community Hospitals may increase rates, rents, fees, and charges by up to five percent in each of the next two fiscal years, rather than each fiscal year hereafter;
- (6) Providing that, irrespective of the general exemption from competitive bidding requirements under the procurement code, a physician shall not refer patients to an entity with which the physician or physician's family member has a financial relationship for the performance of certain designated health services;
- (7) Deleting the section of the bill amending Act 211, Session Laws of Hawaii 1993, as amended, and providing instead for purposes of clarity that the Division of Community Hospitals, Department of Health, between the effective date of this bill and June 30, 1996, is authorized to trade off and transfer, or establish positions within the existing authorized position count ceilings within each community hospital facility, but any not trade or transfer positions between facilities; and
- (8) Exempting Section 323-70, Hawaii Revised Statutes, from the repealer and reenactment provisions set forth in Act 192, Session Laws of Hawaii 1994.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1674, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 382 Ways and Means on S.B. No. 1594**

The purpose of this bill is to appropriate \$4,200,507 as an emergency appropriation for the Department of Public Safety to provide necessary funds to continue the operation of the State's correctional facilities to the end of the fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1594, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Solomon).

#### **SCRep. 383 (Majority) Ways and Means on S.B. No. 1596**

The purpose of this bill is to make an emergency appropriation for the state workers' compensation fund.

Your Committee finds that the state workers' compensation fund will be exhausted by February 26, 1995. Without this appropriation, the department of human resources development will be unable to meet its fiscal obligations to provide for the health and safety of state employees. Your Committee concurs with the finding of the Committee on Agriculture, Labor, and Employment that a critical funding emergency exists.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 8. Noes, 1 (Liu). Excused, 2 (Fukunaga, Solomon)

#### **SCRep. 384 Ways and Means on S.B. No. 1680**

The purpose of this bill is to appropriate general funds for fiscal year 1994-1995 to be used for services provided to the child and adolescent mental health program.

Your Committee finds that Act 289, Session Laws of Hawaii 1993, as amended by Act 252, Session Laws of Hawaii 1994, appropriated a certain designated sum to the department of health to provide funds for the child and adolescent mental health program for the fiscal period beginning July 1, 1994, and ending June 30, 1995.

Your Committee further finds that a critical funding emergency currently exists, as the program will expend all appropriated funds before the end of the current fiscal year and the department will be unable to meet its fiscal obligation to provide services to severely emotionally disturbed children. The increase in case referrals and court-directed placements is the primary contributing factor to this financial situation.

The department of health testified that while it was assessed a total of \$9,469,637 in personal services savings and other general fund restrictions in the current fiscal year, non-budgeted expenditures were estimated at over \$11,000,000, with the majority coming from the Child and Adolescent Mental Health Division.

Consequently, your Committee strongly believes that this bill is necessary in order to prevent the reduction or discontinuance of payments for services to seriously emotionally disturbed youth.

Your Committee has amended this bill by inserting the amount of \$6,229,727 in the appropriation section.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1680, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Solomon).

**SCRep. 385 Ways and Means on S.B. No. 1682**

The purpose of this bill is to make emergency appropriations for two programs under the Family and Adult Services Division of the Department of Human Services.

These programs will provide aid to families with dependent children and offer general assistance.

Your Committee finds that these programs provide financial assistance to needy families and individuals, that the funds appropriated for these programs will be expended before the end of the fiscal year, and a critical funding emergency exists.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1682 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Fukunaga and Solomon).

**SCRep. 386 Ways and Means on S.B. No. 1690**

The purpose of this bill is to appropriate funds for operating expenses for the state medical assistance program under the Department of Human Services (med-QUEST division).

Your Committee finds that a critical funding emergency exists because the medical assistance program, also known as the Medicaid program, will expend all funds already appropriated by the end of the fiscal year. The affected part of the Medicaid program is health services for the aged, blind, or disabled.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1690 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Solomon).

**SCRep. 387 Higher Education, Culture, and Arts on S.B. No. 634**

The purpose of this bill is to make changes to the law relating to the research corporation of the University of Hawaii.

Specifically the bill:

- (1) Increases the board of directors of the research corporation from nine to ten members;
- (2) Requires that five members of the board of directors of the research corporation be selected and their terms determined by the board of regents; provided that no term shall extend beyond the term as a member of the board of regents;
- (3) Repeals the provision that the director of research of the University of Hawaii, and the director of business, economic development, and tourism of the State, or a designated representative, shall serve as ex officio voting members;
- (4) Decreases from six to five, the number of members of the board of directors appointed by the governor;
- (5) Requires that all members appointed by the governor other than the board of regents, shall serve for a term of four years or as specified by the governor;
- (6) Allows the board of directors to enter into and perform contracts, leases, cooperative agreements, or other transactions with the University of Hawaii or any other agency or political subdivision of the State;
- (7) Requires the President of the University of Hawaii to be the president of the corporation and allows the board of directors to appoint other officers; and

- (8) Allows the special account of the special fund of the research corporation to be used to receive, disburse, and account for funds of research and training projects of the University of Hawaii, other state agencies, and political subdivisions of the State.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 634, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

#### **SCRep. 388 Communications and Public Utilities on S.B. No. 645**

The purpose of this bill is to increase the overall efficiency of government operations by providing public access to government information and notices through the State's information network and by fax. This bill also requires the department of budget and finance, in conjunction with other appropriate agencies, to establish standards relative to such access. Finally, this bill provides access to the legislature and auditor to computer-based information on state revenues, disbursements, and expenditures.

Your Committee received testimony in favor of this bill from Hawaii Inc., the Department of Budget and Finance, the Department of Accounting and General Services, the Department of Human Resources Development, the Office of Information Practices, Common Cause Hawaii, and the Estate of James Campbell. Your Committee notes that these parties expressed strong support of the general intent of the bill to increase the availability of government information to citizens; some agencies expressed concerns regarding its implementation and potential resource requirements.

Your Committee received testimony opposing this bill from the Hawaii Publishers Association and the Hawaii Newspaper Agency.

Your Committee believes it is incumbent on state agencies to examine how best to reallocate their existing budgets to find more cost-effective means of providing such access. Your Committee therefore finds that funds presently allocated by government agencies for newspaper publication, as well as for notification by mail, may present the best means of increasing public access to timely information while staying within existing resources.

After due consideration, your Committee has amended this bill by:

- (1) Deleting the reference to scheduled civil service examinations in the section dealing with publication of vacant civil service positions;
- (2) Clarifying in all of the sections dealing with publication of notice that notice shall be made available through the State's information system, as well as through alternate means of communication, such as fax, electronic bulletin boards, telephone, or other electronic media;
- (3) Specifying that all public hearing notices requiring publication twice or more in newspapers of general circulation shall be published once in a newspaper and thereafter by electronic means;
- (4) Providing that dissemination and access to public procurement information shall be provided through the State's information network, effective July 1, 1996;
- (5) Providing that the department of budget and finance shall report to the legislature within twenty days prior to the convening of the 1997 regular session with respect to expenditures made in conjunction with the implementation of this bill; and
- (6) Providing that the effective date of the bill shall be the date of approval, rather than January 1, 1996, so that agencies can use the intervening period to transition into the new formats.

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

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 645, S.D. 2, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Liu).

#### **SCRep. 389 Higher Education, Culture, and Arts on S.B. No. 937**

The purpose of this bill, as received by your Committee, is to create the student tuition and fees special fund into which shall be deposited one hundred per cent of all income from tuition and charges assessed against students.

Your Committee finds that the ongoing debate over whether the University of Hawaii should be given the authority to directly control income generated from tuition and other charges assessed against students, raises certain policy issues regarding who should have control over the disposition of tuition income as well as who should be setting tuition and at what levels. Over the past decade, the legislature has provided the University of Hawaii with increasing administrative and budget flexibility with the intent that the university should be more directly involved in determining how revenues are expended and be authorized to generate additional income outside of legislative appropriations to support their programs.

Your Committee further finds that concomitant with this policy discussion about tuition levels and raising additional income, is the consideration that the University of Hawaii is a state-created and supported institution which must ensure equal access for students who may need financial support in order to gain a college education.

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

- (1) Requiring the board of regents to adopt benchmarks to guide the development of the university and submit annual status reports prior to the convening of each legislative session on the implementation of the benchmarks;
- (2) Beginning with the 1997-1998 fiscal year, requiring the university to reflect the benchmarks in the development of their annual budget;
- (3) Delaying implementation of the special fund effective with the fiscal year 1997-1998;
- (4) Requiring the board of regents to adopt a tuition schedule which, for residents reflects an amount sufficient to cover 25 per cent of the university's costs per student, and for nonresidents reflects an amount sufficient to cover 90 per cent of the university's costs per student;
- (5) Mandating that the board of regents adopt a tuition schedule so that by fiscal year 2000-2001, not less than twenty-five per cent of the operating costs of the university's instructional and research programs and related support services shall be supported by revenues deposited into the special fund; and
- (6) Giving full authority to the board of regents to grant tuition waivers, and thereby, repealing all specific tuition waivers within the statutes.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 937, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

#### **SCRep. 390 Higher Education, Culture, and Arts on S.B. No. 1358**

The purpose of this bill is to repeal the provision which requires the first \$1,000,000 of tuition to be deposited to the credit of the Hawaii opportunity program in education (HOPE) special fund.

Your Committee finds that the HOPE program has been very effective in giving financial support to college students to help fund their college expenses and for college awareness activities and academic preparation support to students early in their pre-college education to promote higher education.

Your Committee has amended the bill to continue the HOPE program but because of present state budget difficulties your Committee has:

- (1) Suspended the \$1,000,000 appropriation deposit into the HOPE special fund until the 1997-1998 through 2001-2002 fiscal years.
- (2) Added a new section to the bill to appropriate \$300,000 for HOPE statewide early education activities to continue the effectiveness of these programs; and
- (2) Added a new section to the bill to require one hundred additional scholarships to be awarded through the HOPE program by fiscal year 2001-2002.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1358, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

#### **SCRep. 391 Higher Education, Culture, and Arts on S.B. No. 1398**

The purpose of this bill is to specify that the State of Hawaii endowment fund shall be used solely to pay for the payment of salaries, travel expenses, and other compensation to the musicians of the Honolulu symphony. This bill specifically prohibits income and capital gains from the fund to be used to pay for administrative salaries, compensation, or other expenses not pertaining to the musicians of an Oahu based symphony orchestra as determined by the state foundation on culture and the arts.

After due consideration, your Committee has amended the bill to specify that the income and capital gains from the \$2 million contributed by the State to the State of Hawaii Endowment Fund shall be transferred on a quarterly basis to the State Foundation on Culture and the Arts, Performing and Visual Arts Events Private Contribution Account to be used for the production of music by an Oahu based symphony orchestra.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1398, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 392 Higher Education, Culture, and Arts on S.B. No. 1466**

The purpose of this bill is to establish a Culture and the Arts Revolving Fund (Fund).

Specifically, the Fund would be administered by the State Foundation on Culture and the Arts for the purpose of:

- (1) Assisting artists in developing their potential;
- (2) Jumpstarting an artist's prospective project; and
- (3) Providing funding for the initial implementation of a project or program as petitioned and planned by an artist or director of an arts project.

The Fund would receive its funding through appropriations from the Legislature, gifts, donations, fees, and grants from public agencies and private persons. The Fund would also receive royalties from the commercial exploitation of an artist's work that was sponsored by the Fund.

Your Committee believes that the establishment of such a fund would not only assist in the proliferation of artistic endeavors within the State, but provide financial benefit to the State as it acts as a patron of the arts.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1466 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 393 Higher Education, Culture, and Arts on S.B. No. 1474**

The purpose of this bill is to extend to June 30, 1999, the repeal date of Act 329, Session Laws of Hawaii 1991, that establishes the Martin Luther King, Jr. Commission, to plan for the observation of Martin Luther King, Jr.'s birthday.

Your Committee finds that by approving this bill, the Martin Luther King, Jr. Commission will coincide with the federal commission's expiration and can continue to serve as a catalyst for events which support peace and justice in the State of Hawaii and continue Dr. King's message of nonviolence.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1474 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 394 Higher Education, Culture, and Arts on S.B. No. 1873**

The purpose of this bill is to include the Hawaii main street program under the state historic preservation program and make an appropriation therefor.

Your Committee finds that the Hawaii main street program was introduced in Hawaii in 1983 through federal funding and was operated between 1985 and 1990 with state funds through the Historic Hawaii Foundation. In 1991, the program was transferred to the state historic preservation division, which has been responsible for the establishment of four resource towns, one per county. Your Committee further finds that these resource towns are a valuable approach to historic preservation and revitalization of downtown cores to which businesses and local residents as well as visitors are attracted.

Your Committee has amended this bill by deleting the appropriation amount for further discussion by your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1873, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Ikeda).

**SCRep. 395 (Joint) Health and Human Services on S.B. No. 1028**

The purpose of this bill is to require the Departments of Health and Human Services to develop a representative payee system for drug addicted persons to ensure that welfare payments are used for drug treatment and not diverted to other purposes.

Testimony was received from both the Departments of Health and Human Services, from the Legal Aid Society, and from the Oahu Alliance For The Mentally Ill, Inc. All testimony was generally favorable and pointed out the pressing need for action to be taken to prevent the waste of public funds and to ensure that persons receive the treatment and assistance they need. However, various concerns were expressed:

- (1) That such a program not unnecessarily delay receipt of moneys needed for day-to-day expenses;
- (2) That a study would be too slow and a pilot project was more desirable;
- (3) That funding would be necessary; and
- (4) That the Department of Health should take the lead in this program.

In response to the concerns raised your Committees have amended the bill by amending section 334-13(a), Hawaii Revised Statutes, to include payments by the Department of Human Services to persons whose primary diagnosis is substance abuse and also added a new section to chapter 346, Hawaii Revised Statutes, to authorize the Department of Human Services to make payments to a representative payee designated by the Department of Health. The new section to chapter 346 also provides that persons whose eligibility is determined after the effective date of this Act shall have their benefits issued to a representative payee, and that persons whose eligibility was determined prior to this Act shall have their benefits issued to a representative payee when recertified. The bill was also amended to provide that funds not to exceed one per cent of the amount appropriated under HMS 204 in the 1995 General Appropriations Act, or so much thereof as may be necessary for 1995-1996, and a similar amount for 1996-1997, are to be transferred to the Department of Health for the purposes of this Act.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1028, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1028, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Ihara).

#### **SCRep. 396 Health on S.B. No. 1159**

The purpose of this bill is to make an unspecified appropriation out of the general revenues of the State for fiscal year 1995-1996, and an unspecified appropriation for fiscal year 1996-1997, for twenty-four hour emergency medical services for the Kula and Hana areas of Maui.

Your Committee finds that Kula and Hana, communities of rural Maui, are presently receiving ambulance service on a part-time basis. Due to the isolation of these communities, emergencies may require ambulance response from long distances. As such, responses may not be timely in cases of heart attacks or other medical emergencies where time is of the essence.

Consequently, your Committee finds that a full-time, twenty-four hour emergency medical service should be provided for the communities of Kula and Hana.

Your Committee received supporting testimony from the State Health Planning and Development Agency (SHPDA) which indicated that both of these ambulance services need attention. SHPDA supported giving the requested service for Hana, and suggested that the bill be kept alive until the Department of Health confirms an upgrade with existing financing. Medic 11, the Kula medic unit, which currently operates only between the hours of 8:00 a.m. and 6:00 p.m., should adjust its hours of operation to better meet peak demand, in the opinion of SHPDA.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 397 (Joint/Majority) Health and Ecology and Environmental Protection on S.B. No. 1410**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Pacific Controls, Inc. (PCI), for the establishment of a medical waste incineration and disposal facility.

Your Committees find that it is in the public interest to encourage the development of facilities for the safe treatment and disposal of medical waste, which is generated by hospitals, medical clinics, laboratories, and other health care providers.

Your Committees find that the medical industry is currently moving toward the use of single-use, disposable medical instruments in order to avoid cross-contamination. The result is that there has been an increase in the amount of medical waste introduced into the State's solid waste stream. These wastes are often being sterilized and landfilled; however, there are three types of medical wastes that cannot be treated in such a manner and must be incinerated:

- (1) Chemotherapy waste;
- (2) Body tissues; and
- (3) Gauze pads, syringes, etc.

Your Committees further find that PCI, a Hawaii corporation, is engaged in the development of a medical waste incineration and disposal facility on Oahu that will serve the public by providing a facility for the safe and proper incineration and disposal of medical waste. Because of community concerns, PCI is pursuing a relocation of their facility from Waipahu to Campbell Industrial Park through the City and County of Honolulu's department of land utilization application process.

Your Committees further find that PCI may be assisted in its relocation through the issuance of special purpose revenue bonds, since PCI constitutes an industrial enterprise as defined in part V, chapter 39A, Hawaii Revised Statutes.

Your Committees received disparate testimony on this measure by numerous community and industry members. Several additional requirements were suggested in testimony which your Committees believe PCI should comply with in connection with its relocation and operation in the Campbell Industrial Park:

- (1) PCI should engage only in the incineration and disposal of medical waste, and not hazardous or industrial waste;
- (2) Emissions from the incineration of medical wastes should meet all applicable federal guidelines, including those relating to the release of dioxins into the environment;
- (3) Emissions from the incineration of medical wastes should not exceed the emissions standards for the Campbell Industrial Park complex; and
- (4) The development of PCI's medical waste incineration should not cause the Campbell Industrial Park complex to exceed its established ambient air quality standard.

Your Committees find that PCI's proposed incineration process is the only federal Environmental Protection Agency approved method of incinerating medical waste. The emissions from the incineration of medical wastes at PCI's facility will be monitored in accordance with, and will be in compliance with, federal and state standards. Further, the approval of PCI's permits will be conditional upon PCI's compliance with those standards.

Your Committees further find that the inclusion of any new facilities in Campbell Industrial Park will have an impact upon its ambient air quality standard. The review of PCI's impact upon that standard will be monitored by the appropriate governmental agencies through their permitting and public hearing processes.

It is the intention of your Committees to require that PCI obtain community approval for its incineration facility site through the conditional use permitting process.

Your Committees have amended this bill to include definitions for medical waste and infectious waste (infectious waste is included in the definition of medical waste, as defined by Hawaii Administrative Rules §11-58.1-03). This bill has been further amended by your Committees to require that PCI only use this incinerator for the incineration and disposal of medical waste.

As affirmed by the records of votes of the members of your Committees on Health and Ecology and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1410, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1410, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, 1 (Aki). Excused, 1 (Chumbley).

#### **SCRep. 398      Judiciary on S.B. No. 1569**

The purpose of the bill is to clarify the ability of the director of taxation to collect delinquent State taxes whenever an eminent domain proceeding is brought by the State or any county when acquiring the fee simple interest in real property.

Presently, only delinquent county real property taxes are clearly referred to in eminent domain statutes. This measure will allow the department to ensure that all state taxes due are duly collected during eminent domain proceedings.

This measure also clarifies that the real property function is at the county level and not the State level. Finally, the measure treats as an evidentiary matter in eminent domain proceedings, the value the taxpayer has placed on his property in real property tax appeal proceedings.

Testimony was received in support of the bill from the department of taxation. Testimony from the Kamehameha Schools/Bernice Pauahi Bishop Estate (KSBE) suggested that the bill be amended to clarify the long term ground lease issue with regard to a lessee and lessor.

Your Committee finds that if a lessee or a person otherwise under a contractual obligation to pay real property taxes appeals the real property tax assessment, the evidence submitted in such an appeal should not be used as evidence in an eminent domain proceeding against the fee owner, when the fee interest is being condemned. Your Committee amended the bill to reflect this finding. The tax director concurred with the amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1569, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (McCartney, Matsunaga).

**SCRep. 399 (Majority) Tourism and Recreation on S.B. No. 252**

The purpose of this bill is to establish pari-mutuel horse racing in Hawaii.

Your Committee finds that our state economy is very reliant upon tourism dollars, and thus we must seek to develop additional attractions for new and returning visitors. Your Committee also finds that within the visitor industry there are many market segments which we should consider developing and expanding; legalized gaming being only one of them.

Your Committee further believes that legalized gaming in Hawaii can be introduced through the visitor industry in a limited venue, and thus is willing to consider pari-mutuel horse racing as an option for introduction. Your Committee, however, recognizes that the economic impacts of pari-mutuel horse racing in Hawaii have not been precisely determined and defers further discussion of this matter to your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 3. Noes, 1 (Iwase). Excused, 3 (Solomon, Fukunaga, Liu).

**SCRep. 400 (Majority) Tourism and Recreation on S.B. No. 777**

The purpose of this bill is to authorize any bona fide religious, charitable, service, fraternal, or veterans' organization, or any tax exempt organization, to apply for a license to conduct bingo.

Your Committee finds that many non-profit organizations are facing lean economic situations, and their fundraising efforts are not providing adequate revenues to continue operations. Your Committee further finds that bingo games have been operating for many years in other states through these types of organizations and are considered a social fundraising activity. Your Committee also notes that the operation of bingo will be strictly regulated by the State through the bingo control board.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, 1 (Iwase). Excused, 3 (Fukunaga, Solomon, Liu).

**SCRep. 401 Tourism and Recreation on S.B. No. 1183**

The purpose of this bill is to establish a temporary neighborhood advisory committee within the convention center authority.

Your Committee finds that the development of the convention center has raised concerns among the residents of the surrounding communities which the convention center authority has tried to address through public forums and ongoing discussions. Your Committee further finds that this temporary committee can assist the authority in continuing to address community concerns by actively serving as a formally recognized advisory body to the authority.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Solomon, Fukunaga, Liu).

**SCRep. 402 Transportation and Government Affairs on S.B. No. 188**

The purpose of this bill is to appropriate \$100,000 for improvement or modification to the traffic signal lights at Mililani Exit 5B on H-2 freeway to correct safety hazards and improve traffic conditions.

The Department of Transportation supported the bill to the extent it did not adversely impact the executive budget. The Department estimated that design would cost \$10,000 and construction would cost \$90,000.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 403     Transportation and Government Affairs on S.B. No. 160**

The purpose of this bill is to authorize the counties to impose a civil fine on persons who place graffiti on any real or personal property owned, managed, or maintained by the counties. The fines are made equal to the cost to repair, restore, or replace the defaced property. Liability is also imposed on the parents or guardians of any minor violator.

Favorable testimony was received from the Honolulu Police Department and from Donna Mercado Kim, Honolulu City Council member and Chair of the Council's Graffiti Buster Task Force. Testimony indicated that incidents of graffiti vandalism were rising and cost the city between \$10,000 and \$15,000 a month to clean up graffiti in its parks. The bill is necessary to make clear the counties' authority to impose this fine.

Your Committee has amended the bill to extend a sunset provision until 1997 to give the counties sufficient time to implement this bill.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 404     Transportation and Government Affairs on S.B. No. 293**

The purpose of this bill is to appropriate \$20,000, or so much as may be necessary for fiscal year 1995-1996, for a street lighting program on the island of Hawaii.

Your Committee finds that it is possible to install ten street lights with the proposed appropriation of \$20,000 on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 293 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 405     Transportation and Government Affairs on S.B. No. 312**

The purpose of this bill is to appropriate funds for a traffic signal at the intersection of Dickenson street and Honoapiilani highway, County of Maui.

Favorable testimony was received from the faculty, staff, and students at Lahaina Intermediate School, residents of Lahaina, the Lahaina Town Action Committee, the West Maui Taxpayers Association, and the Department of Transportation to the extent it did not adversely impact the administration's budget. The Department estimated the design would cost \$50,000 and construction would cost \$350,000.

Your Committee has amended the bill to appropriate \$400,000 from the highway special fund: \$50,000 for the design and plans, and \$350,000 for construction.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 312, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 406     Transportation and Government Affairs on S.B. No. 339**

The purpose of this bill is to amend the sanctions for violations of section 291C-131(g), Hawaii Revised Statutes, which relate to spilling container loads on highways. In particular, the bill repeals those provisions allowing suspension of the vehicle registration or driver's license for violations. The remaining sanction is for civil fine.

This bill was submitted by the Judiciary. Testimony indicated that presently the mandatory license suspension requires a court appearance by the driver. In many cases this is unnecessary as the company owner is the responsible party who is willing to accept such responsibility. The amendment to the law will allow these types of violation to be handled by the civil traffic system.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 407 Transportation and Government Affairs on S.B. No. 343**

The purpose of this bill is to appropriate funds for the realignment of Farrington Highway beside Makaha Beach Park. The Department of Transportation supported the bill to the extent it did not adversely impact the administration's budget.

Your Committee has amended the bill to appropriate \$500,000 from the highway special fund for planning and design of the realignment.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 343, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 408 Transportation and Government Affairs on S.B. No. 395**

The purpose of this bill is to appropriate funds to continue the operations of the Windward Oahu (Kaneohe) and Leeward Oahu (Waipahu) state satellite information offices.

Your Committee was informed that the costs for these offices were approximately \$170,000. This covered the personnel costs of the four employees as well as other matters. Additionally, there are ongoing discussions which are anticipated will result in an agreement with the City and County of Honolulu to share these costs.

Your Committee has amended the bill to appropriate \$100,000 for the State's share.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 395, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 409 Transportation and Government Affairs on S.B. No. 558**

The purpose of this bill is to appropriate funds for the installation of thirteen additional emergency call boxes along state highways in the County of Kauai.

The Department of Transportation testified in favor of this bill. Your Committee has been informed that each call box costs approximately \$9,000.

Your Committee has amended the bill to appropriate \$117,000 from the highway special fund for the fiscal biennium 1995-1997.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 558, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 410 Transportation and Government Affairs on S.B. No. 721**

The purpose of this bill is to define "wharfage" to prohibit additional wharfage from being imposed on goods destined for the neighbor islands and being transshipped through Honolulu as an intermediate port.

Favorable testimony by Sea-Land Service Inc. indicated that goods arriving in the port of Honolulu and transferred to another ship for shipment to the neighbor islands were charged wharfage both when off-loaded from one ship and on-loaded to another unless the transfer occurred at a single terminal. However, due to the allocation of harbor lands, only Matson has the ability to transship cargo at one terminal. All other carriers were required to pay the additional wharfage charge.

Your Committee has amended the bill so that only one charge would be imposed for use of the harbor.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 411 Transportation and Government Affairs on S.B. No. 787**

The purpose of this bill is to appropriate the sum of \$1,250,000 for fiscal year 1995-1996 for Saddle Road access improvements on the island of Hawaii as follows:

- (1) \$250,000 for planning and design of a connector road Queen Ka'ahumanu Highway and Mamalahoa Highway at the current exit point of Saddle Road; and
- (2) \$1,000,000 for construction of alternative routing from Puainakou Street to Kaumana Drive to improve the traffic flow from Saddle Road into East Hawaii.

Favorable testimony was received from the County of Hawaii Department of Public Works, the Hawaii Island Chamber of Commerce, the Hawaii Island Economic Development Board, and the Department of Transportation. The county requested your Committee to amend the bill by deleting reference to the current exit point of Saddle Road as being the terminus of the realigned Saddle Road at Mamalahoa Highway. However, testimony by the Department of Transportation indicated that no planning would be done until the EIS is completed in 1997.

Your Committee has amended the bill to appropriate \$1,250,000 from the highway special fund instead of the general revenues.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 787, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 412 (Joint) Transportation and Government Affairs and Communications and Public Utilities on S.B. No. 853**

The purpose of this bill is to require the Director of Transportation to provide for underground utility facilities in the construction of new federal-aid highways and improvements to existing federal-aid highways upon a determination that federal aid is available to do so. In particular the bill adds a new section to chapter 264, Hawaii Revised Statutes, requiring the Director to provide underground utility facilities when there is federal funding to share in the costs, unless after public hearing the Director determines there are appropriate reasons for not providing such facilities. The bill requires that the director report the director's findings and decision to the legislature.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Communications and Public Utilities that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 853 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Ihara, Kanno, Liu, Solomon, Taniguchi).

**SCRep. 413 Transportation and Government Affairs on S.B. No. 895**

The purpose of this bill is to appropriate funds for the construction and operation of the Hawaii Aviation Training Center at the Honolulu International Airport.

Favorable testimony was received from the Department of Transportation, the Department of Business, Economic Development, and Tourism, the University of Hawaii, and Aloha Airlines. Additional testimony was provided by the Hawaii Island Economic Development Board, Realty Finance, and Benchmark Flight Center expressing concern that the intended site of the Aviation Center not be relocated from Hilo.

Testimony emphasized the economic benefits to be realized by the expeditious start up of such a center and the possible loss of opportunity with further delay. The Department of Transportation indicated its continued desire to permanently locate the Aviation Center in Hilo. Testimony by the University indicated that the cost for a temporary training center would be \$2,400,000 for the 1995-1997 biennium.

Your Committee has amended the bill to appropriate \$2,400,000 from the airport special fund.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 895, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 414 Transportation and Government Affairs on S.B. No. 1220**

The purpose of this bill is to authorize the issuance of \$250,000 in general obligation bonds and appropriate the proceeds for a \$1,000,000 highway improvement and renovation project on the Likelike highway to which will be added \$750,000 in federal funds.

Your Committee finds that the traffic situation along Likelike Highway from Valley View Drive to H-1 Kalihi Interchange poses a serious safety problem which must be addressed.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1220 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 415 Transportation and Government Affairs on S.B. No. 1455**

The purpose of this bill is to appropriate funds for a feasibility study of instituting a Sunset Beach bypass road from Whitmore Village to Laie that would allow residents and others to travel the North Shore safely.

The Department of Transportation supported the bill to the extent it did not adversely impact the administration's budget and estimated the cost of the study would be \$100,000.

Your Committee amended the bill to provide that a \$100,000 would be appropriated from the highway special fund.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1455, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 416 Transportation and Government Affairs on S.B. No. 1538**

The purpose of this bill is to appropriate funds for the preparation and development of safe ingress and egress from Farrington Highway to Kahe "Tracks" Beach Park.

Favorable testimony was provided by community members, the City and County of Honolulu, Hawaiian Electric, and the Department of Transportation (to the extent it did not adversely impact the administration's budget). Testimony indicated a long history of community efforts to improve the park, including litigation against Hawaiian Electric which resulted in funds which have been used for various park projects including the construction of a comfort station. Testimony indicated as well the need for more improvements such as a parking lot, a driveway and an acceleration/deceleration lane and left turn lane from Farrington Highway into Kahe Beach Park. The funds remaining from the litigation are earmarked for other park projects, and the county testified that it could improve the driveway from other funds. As for the acceleration/deceleration lane and the left turn lane, the Department estimated that design would cost \$50,000 and construction would cost \$300,000.

In light of the testimony received Your Committee has amended the bill to appropriate \$350,000 from the highway special fund, \$50,000 of which is to be used for the design of an acceleration/deceleration lane and a left turn lane and the remaining \$300,000 for its construction.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 417 Transportation and Government Affairs on S.B. No. 1557**

The purpose of this bill is to amend drivers' licensing laws to increase the efficiency of driver licensing services provided by the counties. In particular the bill, among other things:

- (1) Extends the licensing period from four to six years for persons between twenty and sixty-nine years of age, and extends the licensing period from two to four years for persons between fifteen to nineteen, and seventy or older (under current law persons twenty-four years or younger and persons sixty-five and older must renew their license every two years);
- (2) Eliminates the requirement that applicants for license renewal pass the rules of the road knowledge test;
- (3) Permits the waiver of an actual demonstration of ability to operate a motor vehicle for persons eighteen years old or older who failed to renew a previously valid license within ninety days after its expiration;
- (4) Permits the waiver of an actual demonstration of ability to operate a motorcycle for persons who successfully complete an approved motorcycle education course; and

- (5) Eliminates the payment of outstanding traffic fines as a condition precedent to the renewal of a driver's license.

The City and County of Honolulu testified in support of the bill and the Department of Transportation expressed no opposition to the bill. Your Committee was informed that other states allow the waiver of a motorcycle demonstration when the applicant successfully completes a motorcycle education course. Currently, effort is being made to develop such courses which would be offered by several persons statewide. These are not currently available however and until such courses are available statewide such a waiver program appears premature.

Your Committee has amended the bill by removing the waiver of motorcycle demonstrations and by removing the amendment extending the licensing period from two to four years for persons between sixty-five and seventy.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1557, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

#### **SCRep. 418 Transportation and Government Affairs on S.B. No. 1563**

The purpose of this bill is to raise the amount when a report is required following an accident which results in property damage. Present law provides that a report must be filed when apparent property damage exceeds \$1,000. Failure to make the report subjects the person to a fine of \$1,000 and imprisonment of not more than one year. Further, the accident is considered a major accident.

This bill was supported by the City and County of Honolulu and by the state public defender on the basis that with the increased cost of auto repairs renders the current limit of \$1,000 too low. Testimony in opposition was submitted by State Farm Insurance Companies and the Hawaii Insurers Council who claimed a need for police reports to determine liability. They indicated that in the absence of such reports they would have to bear the costs of investigation which would ultimately be shifted to the consumer. Regardless, information provided indicates that the average damages from collision to the insured was \$1,700 and that to both cars, in a two car collision, averaged \$1,900. The general deductible as required by most banks is between \$250 to \$500.

Your Committee has amended the bill to provide that police reports will be required where the accident has resulted in death or injury to any person, where apparent damage exceeds \$2,000, or where a report may be useful in determining fault.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1563, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

#### **SCRep. 419 Transportation and Government Affairs on S.B. No. 1631**

The purpose of this bill is to establish an office of purchased services in the Department of Accounting and General Services to improve the efficiency and accountability of purchase of service selection. The bill also provides, among other things, for:

- (1) Multi-year provider contracts up to five years;
- (2) Transfer of the Executive Coordinating Council and the Purchase of Services Advisory Council to the Department of Accounting and General Services for administrative purposes and for clarification of their respective roles;
- (3) Implementation of a purchase of services planning process; and
- (4) Clarification of the request for proposal process.

Favorable testimony was provided by the Department of Accounting and General Services, the Office of State Planning, and the Advisory Council. Ka Lima O Maui and Opportunities for the Retarded, Inc., testified in opposition to the bill citing concerns with respect to the reconsideration process and the lack of assurances within the bill that the expending agencies would follow legislative intent.

The concerns raised were mirrored in part by the testimony submitted by the Advisory Council which also suggested changes to the bill to address these concerns.

Your Committee has made technical nonsubstantive amendments as well as amendments intended to address the concerns raised in testimony. Your Committee has incorporated the amendments suggested by the Advisory Council in their testimony and in particular your Committee has:

- (1) In order to address concerns over the timeline for purchase of service requests, inserted language in section 11 of the bill that requires agencies to submit a statement with respect to each proposal before submitting a recommendation for funding to the legislature;
- (2) In order to address concerns that the need for services reflect community needs, inserted language in section 9 of the bill requiring that the uniform and accountable system identifying health and human services procurement needs be on a geographic basis; and
- (3) In order to address concerns over the reconsideration process, inserted language in section 11 of the bill which provides the requesting organization an opportunity to meet with the agency in a mediation process.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1631, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 420      Transportation and Government Affairs on S.B. No. 1642**

The purpose of this bill is to make it a criminal offense for any person to operate a recreational vessel in state waters while under the influence of intoxicating liquor. The bill accomplishes this through adding a new part to chapter 200, Hawaii Revised Statutes, which:

- (1) Defines the offense;
- (2) Provides the penalties for violations;
- (3) Establishes enforcement procedures; and
- (4) Provides for testing of blood alcoholic content.

The bill also adds conforming definitions to section 200-23, Hawaii Revised Statutes.

This bill is an administration measure. Favorable testimony was received from the Board of Land and Natural Resources, the Hawaii Medical Association, the Department of Public Safety, and the U.S. Coast Guard.

Your Committee has made minor technical and nonsubstantive amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1642, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

#### **SCRep. 421      Agriculture, Labor, and Employment on S.B. No. 7**

The purpose of this bill is to amend the powers of the State Ethics Commission (Commission).

Specifically, the bill:

- (1) Makes persons who file frivolous charges with the Commission against a state official, employee, or legislator, civilly liable for all costs incurred in defending against the charge;
- (2) Shortens the Commission's jurisdiction over investigating and taking appropriate action on alleged violations of chapter 84, Hawaii Revised Statutes, from three years to one year;
- (3) Makes matters brought to hearing before the Commission public; and
- (4) Makes complaints affirmed by the Commission against legislators and state officials and the disciplinary actions taken pursuant to these complaints a matter of public record.

Your Committee finds that the bill empowers the Commission with the authority to adequately enforce chapter 84, HRS, and provides state employees, officials, and legislators with the necessary safeguards to protect themselves in the course of carrying out their public duties.

Your Committee has amended the bill by deleting the provision which shortens the Commission's statute of limitation to one year.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 7, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 7, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 422 Agriculture, Labor, and Employment on S.B. No. 191**

The purpose of this bill is to appropriate \$120,000 for the 1995-1996 fiscal year to construct an eight-bin papaya treatment chamber on Molokai.

Your Committee finds that the Molokai papaya industry exhibits the potential for substantial growth in the near future. Currently shipping 10,000 lbs. of papayas per week to Canada, Molokai's Sunrise and Molokai Sweet (Hybrid 77) varieties of papayas command premium prices. However, the lack of a fruit fly disinfestation treatment facility limits the industry's ability to take full advantage of export markets.

Your Committee believes that Molokai's papaya industry should be supported to further the State's goals of economic and agricultural diversification.

Your Committee has amended the bill by increasing the appropriated amount from \$120,000 to \$125,000.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 191, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 423 Agriculture, Labor, and Employment on S.B. No. 307**

The purpose of this bill is to raise the State's minimum wage.

Your Committee finds that Hawaii ranks second highest in the nation's cost of living index and first in terms of home purchase and rental costs. The U.S. Department of Labor estimates Hawaii's total living expenses at twenty-five per cent above the national average. In order for a person earning the minimum hourly wage of \$5.25 to rise above the Federal Poverty Level, that person would have to work at least 2,080 hours annually.

Your Committee has amended the bill by increasing the statutorily established minimum wage of \$5.25 to \$5.40 beginning on January 1, 1996, and as of January 1, 1997, raising the minimum wage to \$5.55.

Your Committee believes that the State's minimum hourly wage should be raised in order to provide adequate opportunity to the citizens of Hawaii to earn a decent wage and sustain a lifestyle above the Federal Poverty Level.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 307, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 424 Agriculture, Labor, and Employment on S.B. No. 356**

The purpose of this bill is to appropriate \$120,000 for the 1995-1997 fiscal biennium for the pesticide education program.

The pesticide education program informs and educates agricultural users of pesticides to ensure the proper and safe application of these chemicals, particularly as to updating them on new regulations and application methods.

Your Committee has amended this bill by designating the expending agency to be the department of agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 356, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 425 Agriculture, Labor, and Employment on S.B. No. 409**

The purpose of this bill is to provide financial relief to employees affected by mass lay-offs and plant closures.

Specifically, the bill:

- (1) Provides up to one year of unemployment benefits to employees who lose their job due to a plant closure;

- (2) Defines "plant closure" to mean a permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, where the shutdown results in the cumulative loss to the employer of one hundred or more employees;
- (3) Provides up to one-and-a-half years of unemployment benefits to employees who are affected by a mass lay-off;
- (4) Defines "mass lay-off" to mean a permanent lay-off by an employer in a single site of employment, or one or more facilities or operating units within a single site of employment, where the permanent lay-off results in the cumulative loss to the employer of one-hundred-fifty or more employees; and
- (5) Limits the application of the bill to those individuals that were victims of a plant closure or mass lay-off on or after June 1, 1993.

Your Committee finds that the recent closing of a number of sugar plantations around the State have adversely impacted many individuals that made sugar production their career. This bill would provide necessary financial relief to many former sugar plantation employees who need time to develop new skills to obtain employment in other sectors of the State's economy.

Your Committee has amended the bill by:

- (1) Limiting the definitions of "plant closure" and "mass lay-off" to ensure that relief is provided to only employees of agricultural cultivation and production plants;
- (2) Lowering the threshold number of employees to qualify as a "mass lay-off" from one-hundred-fifty to seventy-five;
- (3) Providing up to a maximum of seventy-eight weeks of unemployment benefits to employees that lose their jobs as a result of a plant closure;
- (4) Providing up to a maximum of fifty-two weeks of unemployment benefits to employees that lose their jobs as a result of a mass lay-off;
- (4) Changing the application of the bill to those individuals that were victims of a plant closure or mass lay-off on or after August 1, 1994; and
- (5) Making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 409, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 426     Agriculture, Labor, and Employment on S.B. No. 466**

The purpose of this bill is to establish a revolving fund for the Department of Agriculture to provide inspection services to ascertain and certify the grade, classification, quality, or condition of fresh or processed coffee and to provide a startup appropriation for the fund.

Currently, farmers and processors are charged fees for coffee inspections certified by the Department of Agriculture. The fees are returned to the state general fund.

State budget cuts forced the Department of Agriculture to reduce staff and program funding for coffee inspections. As a result, several qualified individuals were forced to retire or were dropped, jeopardizing the coffee inspection/quality control program. The proposed revolving fund would generate funds from all revenue derived from fees and charges for inspection services and will provide moneys needed to maintain the coffee inspection services. This will protect the program from the consequences of possible future budget cuts.

Your Committee has amended the bill by:

- (1) Deleting the \$35,000 appropriation;
- (2) Adding a matching fund provision;
- (3) Underscoring the new section to be added to the Hawaii Revised Statutes; and
- (3) Reformatting the bill in appropriate order.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 466, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 427 Agriculture, Labor, and Employment on S.B. No. 735**

The purpose of this bill is to amend the definition of "wage".

Specifically, the bill amends the definition of "wage" by:

- (1) Deleting the Department of Labor and Industrial Relations' ability to adopt rules that amend the definition of "wage";
- (2) Deleting the reliance of the definition of "wage" on the last sentence of section 387-2, Hawaii Revised Statutes, which designates a minimum threshold of tips that may be considered as a portion of an employee's wages;
- (3) Excluding service charges from consideration as wages; and
- (4) Making numerous nonsubstantive amendments to conform to recommended drafting style.

Your Committee finds that these amendments are necessary to clarify the definition of wages and to reserve the authority of defining wages to the Legislature.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 428 Agriculture, Labor, and Employment on S.B. No. 736**

The purpose of this bill is to create a right of civil action by an applicant or other adversely affected person or an employee organization against an employment agency for violation of the chapter relating to commercial employment agencies.

Your Committee finds that chapter 373, Hawaii Revised Statutes, regulating and licensing employment agencies, is lacking in any civil remedy for the person wronged by a prohibited act of an employment agency. This bill would fortify the enforcement of that chapter, particularly as to allowing for a civil fine, damages, costs, attorney's fees, and court injunctive relief.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 429 Agriculture, Labor, and Employment on S.B. No. 738**

The purpose of this bill is to repeal chapter 382, Hawaii Revised Statutes.

Chapter 382 was enacted after the longshoremen strike of 1949 to give the governor the right to seize possession of and operate stevedoring plant facilities in the event of a declared emergency. The law has never been used.

Your Committee finds that chapter 382 is federally preempted and currently invalid. In Motor Coach Employees v. Missouri, 374 US 74, the U.S. Supreme Court in 1963 reasoned that federal law prohibits states from regulating activities that the national labor laws protect; thus, chapter 382 can have no basis for application. Indeed retention of this statute creates a risk of potential liability. See Golden State Transit Corporation v. City of Los Angeles, 475 US 608.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 738 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 430 Agriculture, Labor, and Employment on S.B. No. 740**

The purpose of this bill is to strengthen enforcement of chapter 379, Hawaii Revised Statutes.

Chapter 379 makes it unlawful for an employer to recruit, advertise for, or contract with another person to furnish workers to replace employees in a labor dispute. Violations are treated as misdemeanors and are punishable by a prison term of up to one year and a fine of up to \$1,000, or both.

This bill increases the maximum criminal fine to \$10,000 and allows civil actions to enforce the statutes or enjoin unlawful behavior. In addition, the prevailing employee or employee organization in a civil action may also be awarded

civil penalties of up to \$5,000 plus court costs, including fees of any nature and attorney's fees, to be paid by the defendant employer.

Your Committee finds that the stiffer penalties are equitable and will enhance enforcement of this chapter as well as provide a deterrent effect.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 740 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 431 Agriculture, Labor, and Employment on S.B. No. 743**

The purpose of this bill is to establish a statutory sexual harassment policy for state and county officers and employees.

Specifically, the bill:

- (1) Defines "sexual harassment";
- (2) Encompasses all current and prospective state and county officers and personnel, all current and prospective legislative officers and employees of the State and counties, all current and prospective contractors to the State and counties, and all individuals that come into contact with state and county officers and employees;
- (2) Establishes a complaint, investigation, and resolution process for sexual harassment complaints;
- (3) Establishes a "reasonable person of the same gender" standard;
- (4) Prohibits any retaliatory acts resulting from the instigation of an act of sexual harassment;
- (5) Requires appropriate state and county employment, management, and supervisory personnel to complete a sexual harassment training program and annually update their education on the subject;
- (6) Requires a contractor to the State or counties to pledge compliance with the state sexual harassment policy or risk termination or suspension of the contract; and
- (7) Provides a civil remedy for violations of the state sexual harassment policy and establishes a penalty between \$1,000 and \$10,000 and court costs for each violation.

Your Committee finds that sexual harassment is a real and pervasive threat in the workplace and the State and counties are not immune to its occurrence. Establishing a standardized sexual harassment policy will help lower the incidence of sexual harassment and create a better working environment for officers and employees alike. Although your Committee supports the general intent of the bill, it believes that the legislature and judiciary, as separate, coequal branches of government, should have the flexibility to determine their own sexual harassment policies.

In light of these findings, your Committee has amended the bill by:

- (1) Deleting all references to the legislature and the judiciary;
- (2) Allowing the Civil Rights Commission and the Equal Employment Opportunity Commission access to any written reports filed on a person alleged to have committed sexual harassment if a complaint is filed with their agency;
- (3) Adding language that clarifies that the deadline for filing complaints with the Civil Rights Commission is one-hundred-eighty days; and
- (4) Making numerous nonsubstantive amendments for the purposes of clarification and conformance to recommended drafting style.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 743, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 432 Agriculture, Labor, and Employment on S.B. No. 745**

The purpose of this bill is to raise the amount of the average weekly benefit for temporary disability insurance benefits.

Specifically, the bill:

- (1) Provides that for employees with an average weekly wage of less than \$26, the weekly benefit amount shall be equal to the average weekly wage but not more than \$15.60, an increase from \$14;

- (2) Provides that for employees with an average weekly wage of \$26 or more, the weekly benefit amount shall be increased from fifty-eight to sixty per cent of the average weekly wage; and
- (3) Repeals the formula for computing the weekly benefit amount for employees whose average weekly earnings exceed a computational amount.

Your Committee finds that the bill is in keeping with the rising cost of living and does not diminish parity for employees receiving temporary disability benefits.

Your Committee has amended the bill by raising the benefit amount from \$15.60 to \$16 to comply with the provisions of section 393-22(2), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 745, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 433     Agriculture, Labor, and Employment on S.B. No. 748**

The purpose of this bill is to repeal the indefinite disqualification for voluntarily quitting or discharge for misconduct under the Unemployment Insurance Law.

Currently, a claimant who quits without good cause or is discharged for misconduct connected with work must return to the work force for at least five weeks, and be separated from the job for non-disqualifying reasons, to be eligible for benefits. This bill would instead impose a specific disqualification period of eight weeks immediately following the last week of work, after which the claimant would be eligible for benefits.

This bill also deletes the disqualification for suspension for misconduct (week of occurrence plus one to four additional weeks).

In considering this issue, your Committee has examined the two rationales governing disqualifications for benefits - indefinite denial until reemployment versus a pre-set punitive disqualification. While the first demands reattachment to the work force to demonstrate availability for work, the other acknowledges that after many weeks without a job, the reason for the person's unemployment becomes less and less clear and may no longer be primarily attributable to the previous separation.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 748 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 434     Agriculture, Labor, and Employment on S.B. No. 752**

The purpose of this bill is to require employers to pay their tipped employees their tips within seven days after the end of each pay period.

The bill also requires an employer engaged in a dispute with an employee, to pay the employee all wages, including tips, and a penalty of twelve per cent interest on those wages which are conceded by the employer.

Your Committee finds that tipped employees are entitled to the prompt receipt of their earnings and providing employers with seven days to calculate withholdings on tipped earnings is sufficient.

Additionally, your Committee believes that requiring employers to pay a twelve per cent interest penalty on the late payment of undisputed earnings provides an adequate disincentive for employers to wrongfully withhold employee earnings.

Your Committee has amended the bill by:

- (1) Replacing gender-specific terms for gender-neutral ones;
- (2) Adding language that allows employers to disburse the collected tips within seven days after the end of the next pay period in which the tips were received to accommodate tips collected for banquet functions; and
- (3) Making nonsubstantive amendments to conform with recommended drafting style.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 752, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 435 Agriculture, Labor, and Employment on S.B. No. 754**

The purpose of this bill is to enable eligible employees to take up to six months of unpaid leave for the purpose of pursuing job-related educational interests. This bill establishes the Hawaii Educational Leave Act.

Specifically, this bill:

- (1) Entitles every regular employee in the State to one job-related educational leave;
- (2) Stipulates all duties of the employer with regard to posting, denying, and accepting an employee's application for an educational leave;
- (3) Entitles the employer to recover the amount of tuition paid by the employer from the regular employee who leaves the employer in less than one year after returning from an educational leave;
- (4) Requires the employer to submit an annual report to the director of labor and industrial relations regarding job related educational leaves by their employees; and
- (5) Provides rights to a civil action suit when there exists a conflict over an educational leave.

Your Committee finds that the rapid advances in technology today often render workforce techniques and skills acquired only a few years ago obsolete. This bill would give Hawaii's workforce an opportunity to become more productive and skilled in the newest innovations and techniques.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 436 Agriculture, Labor, and Employment on S.B. No. 794**

The purpose of this bill is to establish a permanent percentage formula for automatically calculating post retirement benefits when a retiree reaches age 65 and until age 95.

Specifically, the bill:

- (1) Increases the post retirement allowance of the monthly pension, annuity, or retirement allowance, to three per cent when the person reaches age sixty-five; and
- (2) Increases the post retirement allowance one-half of one per cent every five years after the age of sixty-five until the total post retirement allowance at age ninety-five is six per cent of the monthly pension, annuity, or retirement allowance.

Under present law, post-retirement benefits are calculated at a fixed rate without adjustment for inflation. The effect of benefits intended for protection are then eroded slowly but significantly over time.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 794 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 437 Agriculture, Labor, and Employment on S.B. No. 795**

The purpose of this bill is to provide a pensioners' bonus of \$14 for qualified retirants and pensioners of the Employees Retirement System.

Specifically, the bill provides a pensioners' bonus of \$14 for each year of a retirant's or pensioner's credited service; provided that the retirant or pensioner has been retired for at least thirty-five years by July 1 of the year in which the bonus is effective.

Your Committee finds that post-retirement benefits are calculated at a fixed rate that does not include inflation as a factor. This bonus would offset the erosive effect that inflation has on retirement benefits and assist long-time retirants and pensioners with added financial security.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 795 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 438 Agriculture, Labor, and Employment on S.B. No. 796**

The purpose of this bill is to provide an early retirement incentive to any member of the employees' retirement system who has twenty-five years of service and retires within the period beginning June 30, 1995, and ending December 31, 1995.

Your Committee finds that the State is facing a revenue shortfall which is being addressed by considering various directions, including reduction of staffing. Your Committee further finds that early retirement incentives reduce the current payroll costs while also offering opportunities for advancement for lower and middle-level employees.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 796 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 439 Agriculture, Labor, and Employment on S.B. No. 799**

The purpose of this bill is to include emergency medical services personnel under the contributory retirement option of the employees' retirement system.

Your Committee finds that emergency medical services personnel serve in a similar high risk environment as firefighters, police officers, corrections officers, and water safety officers. Your Committee further finds that emergency medical services personnel should, therefore, be provided the same retirement options as are afforded to similar classes of employees.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 440 Agriculture, Labor, and Employment on S.B. No. 801**

The purpose of this bill is to create a new statutory chapter on employee privacy.

This bill establishes a state public policy that all citizens enjoy the benefit of the right to privacy in the workplace. This bill imposes limits and conditions on employer actions relating to substance abuse testing that unreasonably interfere with an employee's right to privacy.

Your Committee finds that a greater workplace problem than substance abuse is unlawful searches and seizures by employers. Your Committee believes that employees should be secure in their personal papers and effects and in other personal areas at work.

Your Committee has amended this bill by deleting all provisions relating to substance abuse testing and retaining only those provisions relating to unlawful searches and seizures by employers. The attorney general has been designated as the enforcement authority. Your Committee has also made technical, nonsubstantial amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 801, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 441 Agriculture, Labor, and Employment on S.B. No. 802**

The purpose of this bill is to amend the laws relating to the striking of public employees.

Specifically, the bill contains provisions that amend the State's collective bargaining law by:

- (1) Adding definitions of the terms "health and safety worker" and "medically verifiable, substantial personal injury";
- (2) Amending the way members and the chairperson of the State Labor Relations Board (Board) are appointed;
- (3) Allowing only those employees whose job duties have a direct impact on the health and safety of the general public to be classified as essential and disallowed from striking;
- (4) Requiring the Board to comply with the contested case procedures of chapter 91, Hawaii Revised Statutes (HRS), when hearing essential worker petitions;

- (5) Prohibiting the Board from issuing interlocutory orders in cases involving essential worker positions;
- (6) Placing specific requirements and restrictions on a public employer's petition for essential positions; and
- (7) Allowing the right to a jury trial for proceedings involving noncompliance of section 89-12, HRS, relating to strikes, rights, and prohibitions.

Your Committee finds that with regard to amending the way members are selected to serve on the Board, the bill proposes that the Senate, through advice and consent, approve all the Board members. The Board member representing labor shall be appointed for six years through election by the exclusive representatives of qualified collective bargaining units. The member representing management shall be appointed by the governor for six years. The chairperson of the Board shall be appointed through agreement between the two Board members to serve for an unspecified term.

Your Committee believes that the bill ensures the rights of public employees to strike by asserting that only those employee positions having a direct impact on the health and safety of the general public shall be disallowed from striking. Additionally, the bill provides a mechanism to appoint a Board membership that is more indicative of the constituency that it represents. Finally, in the occurrence of a strike, the bill also expedites the closure of a strike by removing the Board's authority to issue interlocutory orders on employer petitions.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 802 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 442 Agriculture, Labor, and Employment on S.B. No. 858**

The purpose of this bill is to allow employees of the University of Hawaii or the Department of Education to invest in custodial accounts.

Your Committee finds that the establishment of custodial accounts (mutual funds are held in custodial accounts) has proliferated to a point at which a majority of states have established custodial accounts for their educational employees. The success of these accounts has stemmed from the mutual fund industry's investment diversity.

Your Committee believes that allowing University of Hawaii and the Department of Education employees to invest in custodial accounts in addition to the tax sheltered annuities allowed under section 403(b), Internal Revenue Code of 1986, as amended, and chapter 303, Hawaii Revised Statutes, provides the employees of these institutions with access to additional financial programs that improve their economic security.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 858 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 443 Agriculture, Labor, and Employment on S.B. No. 1051**

The purposes of this bill are to codify requirements for the civil service position classification plan and to require justification for each new civil-service exempt position established.

Specifically, the bill requires that the classification plan utilize "broadbanding" (a method of classifying by work rather than by positions) to reduce the number of, and simplify, job classifications. The bill also requires that the director of human resources development provide clear definitions to guide agencies in the establishment of exempt positions to reduce arbitrariness in such decisions.

Your Committee has amended the bill by deleting section 1 which relates to the position classification plan and use of "broadbanding".

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1051, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 444 Agriculture, Labor, and Employment on S.B. No. 1070**

The purpose of this bill is to allow police chaplains to receive workers' compensation benefits if injured during the performance of their duties.

Your Committee finds that under existing law, police chaplains are precluded from obtaining workers' compensation benefits. Your Committee also finds that people who serve in other voluntary capacities such as members of public

boards, reserve police officers, volunteer firefighters, volunteer boating enforcement officers, and volunteer conservation and resources enforcement officers receive workers' compensation benefits.

Your Committee believes that the bill will rectify this benefit inequity in the existing law.

Your Committee has amended the bill by making technical, nonsubstantive amendments to conform with recommended drafting style.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1070, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 445 Agriculture, Labor, and Employment on S.B. No. 1094**

The purpose of this bill is to convert four temporary employees assigned to the hunter education program to permanent, full-time civil service positions.

Your Committee finds that the hunter safety education program within the department of land and natural resources is mandated to provide hunter education to any person who applies for a state hunting license. Your Committee further finds that present state law includes the hunter safety education program as one of the mandatory training options that is required in order to obtain a permit for the purchase or acquisition of a pistol or revolver. Accordingly, your Committee agrees that the staffing for this program should become permanent in order to fulfill these state mandates.

Your Committee has amended this bill by making a technical, nonsubstantive change to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 446 Agriculture, Labor, and Employment on S.B. No. 1141**

The purpose of this bill is to appropriate funds, on a matching basis, to support the Hawaiian Sugar Planters' Association experiment station and its efforts in sugarcane research and in research for the development of new crops and the maintenance and improvement of current crops.

Favorable testimony was provided by the Hawaii Farm Bureau, the Pineapple Growers Association of Hawaii, Shishido Farms, and Warren Watanabe, an independent farmer. The Department of Agriculture agreed with the intent and purpose of the bill, but was unable to support the bill for fiscal reasons.

Your Committee finds that sugar is one of the State's most important industries and is in the process of downsizing with important consequences for the State. There is a continuing need for sugarcane research and for research into diversified agriculture. The HSPA's experiment station provides much needed research that is of benefit to all. Without funding, the experiment station will be required to cut back on its research efforts.

Your Committee has amended the bill by correcting a spelling error and requiring that for every three state dollars expended on nonsugarcane research, the beneficiaries of the research shall contribute one dollar.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1141, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 447 Agriculture, Labor, and Employment on S.B. No. 1199**

The purpose of this bill is to provide that public works projects built on state or county property shall be subject to chapter 104, Hawaii Revised Statutes.

Chapter 104, Hawaii Revised Statutes, relates to labor regulation of wages and hours of private company laborers working on state or county funded public works projects. This bill would apply that law to those projects built on state or county property.

Your Committee believes that the present law is in need of clarification as is provided by this bill to close a possible loophole in the statutes.

Your Committee has amended this bill by deleting "public works projects" and inserting in its place "capital improvement projects" for precision.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1199, S.D. 1, and be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 448 (Joint) Agriculture, Labor, and Employment and Transportation and Government Affairs on S.B. No. 1258**

The purpose of this bill is to provide a process by which subsequent contractors are to be hired for public works projects.

Specifically, the bill:

- (1) Provides a right of action to the second lowest bidder of a public works project that suffers damage as a result of the lowest bidder's knowing violation of chapter 104, Hawaii Revised Statutes (HRS), in obtaining the public works project award;
- (2) Replaces the term "job site" with "project";
- (3) Allows any organization with an interest in the construction industry to inspect the payroll records of a contractor working on a public works project;
- (4) Provides that if a governmental contracting agency terminates a contractor's or subcontractor's right to proceed on a project, and the remaining value of the project exceeds \$2,000, then the governmental contracting agency shall contract the next lowest bidder to complete the project;
- (5) Provides that if the second lowest bidder is being considered to complete a project pursuant to (4), but was terminated from any public works project within one year prior to filing a bid for the completion of a project to be awarded under (4), then the next lowest bidder who has not been terminated from a public works project within one year preceding the termination date of the second lowest bidder shall be awarded the bid; and
- (6) Allows any organization with an interest in the construction industry to sue a contractor or the contractor's sureties on behalf of individual laborers and mechanics for unpaid wages and court costs.

Your Committees find that the intent of the bill is to ensure the swift and effective enforcement of chapter 104, HRS, the state counterpart to the Federal Davis-Bacon Act.

However, your Committees believe that the bill as written does not serve its intended purpose. Providing the second lowest bidder and other third parties with standing to sue for relief under chapter 104, HRS, merely invites more litigation, thereby prolonging the settlement process.

Therefore, your Committees have amended the bill by:

- (1) Deleting the second lowest bidder's and other third parties' right to sue;
- (2) Deleting the proposed definitions of "project", "second lowest bidder", and "violation of this chapter" as these definitions are unnecessary for the purposes of the amended bill;
- (3) Deleting the proposed replacement of the term "job site" with "project" and expanding the interpretation of "job site" to include trucks hauling machinery and material to and from the construction site; and
- (4) Amending the enforcement provision to allow a labor union to file a complaint and to require the director of labor and industrial relations to file a report within one-hundred-twenty days of the filing of a report by a contracting agency or a complaint by a labor union.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Transportation and Government Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1258, as amended herein, and recommend 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 Judiciary.

Signed by the Chairmen on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 449 Agriculture, Labor, and Employment on S.B. No. 1286**

The purpose of this bill is to clarify that a former legislator or employee is prohibited from assisting or representing a person or business to the extent that the assistance or representation is in the form of personal communication.

Under present law, "assist...or act in a representative capacity" is not defined. This bill clarifies that this means personal communication and defines personal communication and state agency. Your Committee believes that clarification is necessary to prevent misinterpretation and misunderstanding of the applicability and scope of the law.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1286 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 450 Agriculture, Labor, and Employment on S.B. No. 1288**

The purpose of this bill is to repeal the requirement that the State ethics commission provide a short form of disclosure for subsequent annual filings where there has been no substantial changes.

Your Committee received testimony in favor of this bill indicating that the short form disclosure is often glossed over and has led to omissions or inaccurate reporting.

Your Committee amended this bill by allowing short form disclosures to be filed in even-numbered years, and requiring long form disclosures to be filed in odd-numbered years and by making a technical, nonsubstantive amendment to conform to proper bill drafting style.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1288, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 451 Agriculture, Labor, and Employment on S.B. No. 1307**

The purpose of this bill is to appropriate \$100,000 for fiscal year 1995-1996, to supplement the federal cost-share allowances to livestock producers for water quality management.

The bill also limits this supplemental funding to livestock producers that require more than the maximum \$3,500 allocable under federal funding for water quality management.

Your Committee finds that federal legislation such as the Clean Water Act and the Coastal Zone Management Act have a profound financial impact on the way livestock producers manage livestock waste. Regulations imposed by these Acts have required livestock producers to expend in some cases, a substantial amount of money to comply with federal law.

Your Committee believes that this supplemental cost-share funding program will help ease the financial burden imposed by federal regulations on livestock producers.

Your Committee has amended the bill by:

- (1) Replacing the Department of Agriculture with the Governor's Agriculture Coordinating Committee as the expending agency;
- (2) Providing a cap of \$3,500 on the maximum amount allowable for a producer to obtain from the state funding program; and
- (3) Adding a matching fund provision.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1307, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 452 Agriculture, Labor, and Employment on S.B. No. 1513**

The purpose of this bill is to allow public employee collective bargaining units to opt out of the Hawaii Public Employees Health Fund.

Your Committee finds that under the bill, public employee collective bargaining units, through their exclusive representatives, may choose to opt out of the Hawaii Public Employees Health Fund and establish "union health trusts" to provide necessary health benefits for their members. The bill also allows the exclusive representatives to form alliances for the purpose of administering the union health trusts.

Your Committee believes that providing such flexibility to collective bargaining units will enable them to obtain health plans that are better tailored to the needs of their members.

Your Committee has amended the bill by:

- (1) Adding a definition of "union health trust"; and
- (2) Making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1513, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 453     Agriculture, Labor, and Employment on S.B. No. 1517**

The purpose of this bill is to provide for a public employer and an exclusive representative with the option to establish, control, and administer a jointly managed health trust.

If a public employer and an exclusive representative exercise the option to enter into an agreement to establish a jointly managed health trust for a collective bargaining unit, the trust would replace the Hawaii public employees health fund and operate in place of it in all aspects for the employees in that collective bargaining unit. A public employer and an exclusive representative may form alliances to jointly administer the trust. Your Committee believes that this new arrangement would result in greater economies and efficiencies in the provision of health insurance to public employees.

Your Committee has amended this bill by designating that the jointly managed health trust shall be composed of five public employer members and five exclusive representative trustee members.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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.D. No. 1517, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 454     (Joint) Agriculture, Labor, and Employment and Judiciary on S.B. No. 1533**

The purpose of this bill is to provide legal counsel to county officers and employees who are prosecuted or sued as a result of the performance of their duties.

Specifically, the bill provides a county officer or employee that is being criminally prosecuted for acts committed in the performance of their stated duties with representation by an attorney employed and paid for by the county. In cases where the officer or employee is sued in a civil action for acts committed in the performance of the officer's or employee's stated duties, the officer or employee shall be entitled to representation from the county attorney or corporation counsel, as the case may be, of the county, or if permitted under the appropriate county charter, by an outside attorney to be employed by the officer or employee and paid for by the county.

Additionally, in order to determine whether a county officer or employee was acting within the scope of the officer or employee's authority when the act was committed, the bill requires the county attorney or the corporation counsel, as the case may be, to make a binding determination on the matter.

Your Committees understand that providing county officers and employees with legal counsel allows them to concentrate on their work rather than on the potential liability of their work-related actions. Additionally, with regard to criminal prosecution, your Committees believe that county officers and employees should obtain their own legal counsel.

Accordingly, your Committees have amended the bill by allowing the counties to negotiate the procedure and criteria of providing legal representation for county officers and employees as a part of collective bargaining agreements, and deleting the language providing county officers and employees with legal representation for criminal proceedings.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1533, as amended herein, and recommend 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 the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 455     Agriculture, Labor, and Employment on S.B. No. 1617**

The purpose of this bill is to clarify the scope and power of the State Civil Rights Commission's (Commission) power to investigate discrimination complaints.

Your Committee finds that the bill:

- (1) Empowers the Commission to access the premises and records of the parties it investigates; question witnesses; and inspect and copy relevant materials;
- (2) Authorizes the commission to delegate its powers and functions to any member or person appointed to perform its functions;
- (3) Allows the executive director to refuse a complaint which does not allege a discriminatory practice under its jurisdiction;
- (4) Clarifies the separation of enforcement and adjudicatory functions of the Commission by specifying that conciliation efforts shall be the province of its executive director;
- (5) Authorizes the commission to obtain judicial enforcement to carry out its functions and powers, including enforcement of its subpoenas; and
- (6) Allows the Commission to obtain a reimbursement of costs related to the presentation of a case at an administrative hearing or trial if discrimination is proven.

Your Committee believes that these amendments to the Commission's powers are necessary in order to allow the Commission to effectively carry out its mandated purpose.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1617, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 456 Agriculture, Labor, and Employment on S.B. No. 1676**

The purpose of this bill is to exempt the Hawaii state hospital from the mandatory freeze on vacated positions effective with the passage of Act 212, Session Laws of Hawaii 1994, the early retirement incentive act.

Your Committee finds that Act 212 offered a time-limited incentive to all state employees to select early retirement in order for the State to realize savings through vacated positions. Your Committee further finds that certain state programs, such as the Hawaii state hospital must be provided an exemption from the mandatory freeze on vacated positions in order to ensure public health, safety, and welfare.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 457 Agriculture, Labor, and Employment on S.B. No. 1804**

The purpose of this bill is to exempt the community hospitals, correctional facilities, and federally funded positions from the mandatory freeze on vacated positions effective with the passage of Act 212, Session Laws of Hawaii 1994, the early retirement incentive act.

Your Committee finds that Act 212 offered a time-limited incentive to all state employees to select early retirement in order for the State to realize savings through vacated positions. Your Committee further finds that certain state programs, such as the community hospitals and the correctional facilities must be provided an exemption from the mandatory freeze on vacated positions in order to ensure public health, safety, and welfare.

Testimony regarding this bill was submitted by the Hawaii housing authority, which raised concerns about the fiscal impact of this measure. However, your Committee defers further consideration of any fiscal impact to your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1804 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 458 Agriculture, Labor, and Employment on S.B. No. 1841**

The purpose of this bill is to appropriate an unspecified amount for the 1995-1997 fiscal biennium to develop an ornamental fish industry within the State.

Your Committee finds that aquarium fish, plants, and other products constitute an estimated \$200,000,000 to \$700,000,000 industry in the United States. The worldwide market for aquarium products is estimated at over \$4,000,000,000. Hawaii's good water quality, geographic location, ideal climate, and ready and economical access to

mainland and international markets place the State in an excellent position to become a leading producer of ornamental fish, plants, and other products.

Your Committee believes that the development of an ornamental fish industry in Hawaii could lead to the production of valuable export cash crops and could reduce pressures on wild fish populations. As large areas of land become available, ornamental fish and plant production could become a statewide economic and job-generating alternative.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1841 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 459     Agriculture, Labor, and Employment on S.B. No. 1847**

The purpose of this bill is to include service charges that are assessed in lieu of tips within the meaning of tips.

The bill also provides that:

- (1) When computing wages for tipped employees who have worked over the maximum hours allowable pursuant to section 387-2, Hawaii Revised Statutes, the overtime wage computation shall not include tips; and
- (2) If wages for tipped employees are set by collective bargaining units, then the hourly wage cannot be deemed increased unless agreed upon in writing by the collective bargaining parties.

Your Committee believes that including service charges such as portorage and banquet charges which are already disbursed to employees as a portion of their wages should be accounted as tips.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 460     Communications and Public Utilities on S.B. No. 643**

The purpose of this short form bill is to amend the Hawaii Revised Statutes relating to public utilities.

Your Committee has amended this bill by inserting a provision which requires that funds used by a public utility to engage in lobbying activities shall not be included as costs to be considered in determining the rate base of the public utility.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the action to report out S.B. No. 643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 643, S.D. 1, and be recommitted to the Committee on Communications and Public Utilities for further consideration.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 461     Judiciary on S.B. No. 6**

The purpose of this Act is to require the child support enforcement agency (CSEA) to adopt rules to ensure the most expedient receipt of child support by the custodial parent, and, as originally received, to decrease the time an employer or CSEA can take to pass on child support from five days to three days.

Your Committee finds that at present, CSEA handles child support payments manually instead of electronically, leading to substantial delays in payment to the custodial parent. In the age of electronic bank transfers, these delays are unnecessary and impose a significant hardship on the intended recipients. One custodial parent testified to delays of between twelve days to three weeks to receive payments, and commented that she would be willing to pay a nominal fee for expedited transmission of funds.

This bill will improve the efficiency of the child support payment system by requiring CSEA to adopt expedient payment procedures such as the electronic transfer of funds and direct deposit, and by permitting an employer and CSEA to hold funds for only three days before passing them on, rather than the current five days.

Your Committee amended the bill to further expedite the process by decreasing the days funds may be held from three days to two; provided that the agency may extend disbursement in the event of a natural disaster or other extraordinary incident rendering disbursement impossible. Your Committee also amended the bill to allow obligors and obligees to make arrangements for direct payments without being required to go through the CSEA. The custodial parent may enter into a written agreement and receive support directly from the obligor's employer, with a receipt transmitted to CSEA. Only at the point that there is a dispute on whether payments are being received, or whether the amounts required are being paid by the obligor, will the CSEA be required to be involved.

Your Committee finds that where obligors are meeting their child support responsibilities, there is no reason why the obligors should not be able to pay the custodial parent directly, instead of requiring the added step of routing the payment through CSEA.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 6, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 462 Education on S.B. No. 1814**

The purpose of this bill is to delete the representative selection panel to be appointed by the board of education to select schools for participation in school/community-based management (SCBM).

Your Committee finds that the representative selection panel was initially established to select those schools which would be most suitable to participate in SCBM. Your Committee further finds that seventy-seven per cent of all public schools have submitted letters of intent to implement SCBM, and therefore the panel is no longer necessary.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1814 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 463 Higher Education, Culture, and Arts on S.B. No. 637**

The purpose of this short form bill, as received by your Committee, is to amend the Hawaii Revised Statutes related to culture.

Your Committee finds that the Pearl City cultural center (center), a state-owned public facility, was built on the Pearl City high school campus as a performing arts center for the use of the school and surrounding community. Your Committee further finds that although the center generates income from its many programs, there is no specific authority directing the use of these revenues for the operation and maintenance of the facility.

Your Committee, therefore, is amending this short form bill by creating the Pearl City cultural center revolving fund into which shall be deposited all revenues generated by the center and which revenues shall be expended for the operation, repair, maintenance, and improvement of the center.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the action to report out S.B. No. 637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 637, S.D. 1, and be recommitted to the Committee on Higher Education, Culture, and Arts for further consideration.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, McCartney).

**SCRep. 464 Higher Education, Culture, and Arts on S.B. No. 1433**

The purpose of this bill is to exempt a tuberculosis clearance certification for those individuals who wish to enroll at a campus within the University of Hawaii system to participate in a non-credit, short-term course lasting less than fifteen days.

Your Committee finds that the costs and time involved to administer the tuberculosis clearance certification can be saved for an individual who enrolls in courses which run only three to nine hours in length. Certain types of foodhandlers who work for less than fifteen days at carnivals, fairs, and other temporary activities are already granted the exemption.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1433 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 465 Housing on S.B. No. 1692**

The purpose of the bill is to amend section 356-5, Hawaii Revised Statutes, to allow the ex-officio voting members of the Hawaii Housing Authority to send their appropriate designee in the event of their excused absences.

Testimony in support of this bill was submitted by the Hawaii Housing Authority.

Your Committee finds that the enactment of this measure will facilitate the efficiency of the operations of the Hawaii Housing Authority Commission and allow for quorum to conduct business.

Technical, nonsubstantive amendments to the bill have been made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1692, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Taniguchi).

**SCRep. 466 Education on S.B. No. 995**

The purpose of this bill, as received by your Committee, is to establish a board of independent schools to certify private schools and to repeal the department of education's authority to certify private schools.

Your Committee finds that authority for the certification of private schools and private school teachers presently rests with the department of education. Your Committee further finds that the department of education is primarily responsible for establishing policy for and exercising oversight of the public school system, and therefore it is questionable whether the State should impose its standards for public education upon private schools.

Your Committee acknowledges that the private school system in Hawaii is sufficiently developed to provide self-regulation through an independent board which does not need state sanction nor statutory authorization. Your Committee further acknowledges each individual's right to choose to send their child to a private school, and thus believes that governmental oversight of this choice is not warranted. However, your Committee also believes that all children should be compelled to attend school, whether public or private, and supports retaining this mandate within the state laws governing education policy.

Your Committee, therefore, has amended this bill by:

- (1) Deleting the establishment of the independent board in the statutes to allow for the private schools to be self-regulating; and
- (2) Making conforming amendments to the education title to delete state responsibility for the certification of private schools or their personnel.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 995, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 467 Housing on S.B. No. 549**

The purpose of this bill is to allow persons employed in sugarcane cultivation, who live in employer-subsidized housing, to obtain government assistance when the sugar business closes down.

Your Committee finds that, for generations, pineapple and sugar plantation employees have been the backbone of our island community and their efforts have been essential in an industry that has played a major role in our island economy. Our agricultural plantation industry represents sociological, political, public welfare, cultural, and even emotional values that cannot be easily measured. Now that the pineapple and sugar industries are no longer viable, their closure is greatly impacting the plantation workers as they face the fear and stress of not only losing their jobs, but also their rent-subsidized homes. These plantation workers are in a vulnerable position and government assistance would help to temper the financial hardships resulting from the industries' closure.

Supportive testimony from ILWU Local 142 indicated that plantation housing was negotiated as part of the benefit package for sugar workers with modest rents to ensure a solid workforce for the plantation. The workers and the company all benefited from this arrangement. However, with the decline of the sugar industry and closure of one plantation after another, companies now view plantation housing as a liability. This bill will address the needs of these workers who have helped to develop the unique character of Hawaii. The displacement of sugar plantation tenants would disproportionately and adversely affect rural communities.

On the other hand, the Department of Housing and Community Development of the City and County of Honolulu presented opposing testimony as they stated that relocation obligations, such as moving costs, utilities disconnection and reconnection costs, and rental subsidy payments, are very expensive. While they understand the anguish that these families face when a company is closing, such action on the part of a private company is not comparable to displacement by government action and should not require the same level of benefits.

Upon consideration, your Committee feels that these employees are deserving of our support and has amended the bill by:

- (1) Amending the definition of displaced persons to also include the business of pineapple cultivation or processing;
- (2) Amending section 111-1, Hawaii Revised Statutes, to clarify in the legislative purpose that displaced persons also include persons who receive a rent subsidy for a dwelling unit from a business engaged in pineapple or sugarcane cultivation or processing and whose economic well-being is adversely affected by the closing of the pineapple or sugarcane cultivation or processing business; and

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

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 549, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Holt).

**SCRep. 468 Housing on S.B. No. 1396**

The purpose of the bill is to clarify that "residential facility" under existing law includes the Hale Mohalu Elderly Housing Project of Pearl City.

The bill would amend chapter 326, Hawaii Revised Statutes, to allow the Department of Health to provide residential housing for Hansen's disease patients at the Hale Mohalu Elderly Housing Project. This will give Hansen's disease patients the option of leaving Kalaupapa Settlement or Hale Mohalu Hospital at Leahi if possible.

Favorable testimony was submitted by the Department of Health, the Coalition for Specialized Housing, and concerned citizens.

Your Committee finds that the enactment of this measure will clearly define the Hale Mohalu Elderly Housing Project of Pearl City as a qualified residential facility under existing law and affirm the legislature's long commitment to patients of Hansen's disease.

Your Committee has amended Section 1 of the bill by deleting the word "not" from the sentence quoted from the May 4, 1989, letter from the then Director of Health. Further research revealed that the sentence was inaccurately quoted as the original letter did not contain the word "not" in this sentence.

Technical, nonsubstantive amendments have been made to the entire bill for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1396, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Taniguchi).

**SCRep. 469 Housing on S.B. No. 1747**

The purpose of this bill is to amend section 521-71(c), Hawaii Revised Statutes (HRS), to specify when a tenant can move out after a landlord has terminated a month-to-month tenancy with the intent to convert the dwelling unit to a condominium property regime or to demolish the property, and how much rent the tenant is responsible to pay.

Testimony in support of the bill was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors.

Testimony revealed that under the present law, section 521-71(a), HRS, specifically states that when a landlord gives a forty-five-day notice of termination of a month-to-month tenancy, the tenant may vacate at any time and be responsible only for the prorated amount of rent for the period in which the tenant actually occupies the unit. The rationale behind this statutory scheme is that the tenant, upon notice, must look for a new unit immediately and, if successful, risks being liable for double rent. Section 521-71(c), HRS, provides for a one hundred twenty-day notice period if the landlord terminates a month-to-month tenancy in contemplation of the demolition of the dwelling unit or a conversion of the unit to a condominium property regime. There is no provision as to when the tenant may vacate the unit and if the tenant is responsible for rent beyond the period of actual occupation. Considerations similar to those underlying section 521-71(a), HRS, require that provisions for the payment of rent and the vacating of the premises be made for section 521-71(c), HRS.

Your Committee finds that the enactment of this measure will improve section 521-71(c), HRS, of the Landlord Tenant Code by providing that: the tenant may vacate the unit at any time within the one hundred twenty-day period; the tenant is responsible for payment of prorated rent for the period that the premises are occupied; and the tenant must notify the landlord of the day of vacating.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1747 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Taniguchi).

**SCRep. 470 (Majority) Housing on S.B. No. 1748**

The purpose of the bill is to amend section 521-64, Hawaii Revised Statutes (HRS), to increase the tenant's remedy of repair and deduction for minor defects from \$300 to \$500.

Under the Residential Landlord-Tenant Code, section 521-64, HRS, a tenant, in the circumstances specified, may perform repairs to the rented premises and deduct the cost from the following month's rent. The amount deducted presently may not exceed \$300. When the Residential Landlord-Tenant code was first enacted in 1972, the amount was \$100. The amount was raised to \$200 in 1975. The current \$300 figure was put into the law in 1981.

Opposing testimony submitted by the Hawaii Association of Realtors, expressed that the amount presently allowed under the Code is sufficient enough to meet the need of those situations where it is necessary for a tenant to make needed repairs after non-action by the landlord.

The Department of Commerce and Consumer Affairs submitted supporting testimony, stating that inflation has made the \$300 maximum deduction obsolete, and the maximum should now be raised to \$500.

Upon further research, your Committee finds that the Honolulu price level, as measured by the Honolulu Consumer Price Index for all urban consumers, increased nearly 80% from 1981 to 1994. Therefore, the increase from \$300 to \$500 as the maximum allowable deduction is justifiable as the the inflation rate exceeds the \$200 incremental increase.

Technical, nonsubstantive amendments to the bill have been made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1748, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 2. Noes, 1 (Liu). Excused, 2 (Chumbley, Holt).

#### **SCRep. 471     Judiciary on S.B. No. 64**

The purpose of the bill, as received by your Committee, is to clarify that utility and street light poles are not to be used for unlawful posting, and to provide that each posting constitutes a separate offense under chapter 445, Hawaii Revised Statutes.

The present statute prohibits unsightly and unlawful posting and advertisements in many places and areas, such as billboards. One area of the unlawful posting and advertisement law that has long been ignored is the prohibition against posting notices, flyers, and advertisements on utility and light posts along the streets and thoroughfares throughout our State.

Testimony in support of the bill was submitted by the department of transportation, the Honolulu police department, the Honolulu city council, the Hawaiian Electric Company, and a concerned citizen.

Your Committee recognizes the aesthetic problems that unmitigated postings cause, in addition to the safety hazards posed by the nails, staples and tacks used to affix signs to the poles. Your Committee believes that a two-pronged approach is necessary: strong enforcement and public education. Community projects such as the recent "Project Clean Up" in the Kaimuki area, where the neighborhood board organized a community-wide effort to clean up the utility poles of unwanted signs, need to be encouraged to help maintain the appearance and cleanliness of our communities.

After careful consideration, the bill has been amended to use the words "utility or light post" instead of "public utility telecommunications or energy transmission overland cable suspension pole" to describe the poles. A new subsection (c) has been added to make it clear that the counties may impose stricter controls or penalties than the bill provides for. Finally, your Committee has deleted the references to the words "hitching post" and "watering trough" as they are obsolete and no longer exist.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 64, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 64, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

#### **SCRep. 472     Judiciary on S.B. No. 334**

The purpose of the bill is to designate the administrative director of the courts, or a designee, as the compact administrator and licensing authority instead of the administrator of the traffic violations bureau.

The nonresident violator compact allows the State to proceed against out-of-state individuals who commit traffic violations in Hawaii and leave without paying the fines assessed for the violations. Currently, the compact administrator and licensing authority named in the nonresident violator compact is the administrator of the traffic violations bureau. Because there is no such position title within the judiciary, the compact cannot be implemented as intended. The bill makes technical changes to Articles II and VI of section 291A-1, Hawaii Revised Statutes, which are necessary for proper implementation of the statute.

Your Committee received testimony in support of the bill by the judiciary, which indicated that most of the states have a nonresident violator compact statute.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 334 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (McCartney, Anderson).

**SCRep. 473     Judiciary on S.B. No. 337**

The purpose of the bill is to provide the district court jurisdiction in civil cases involving equity claims or defenses.

Your Committee finds that the circuit court's exclusive jurisdiction over civil cases involving equity claims or defenses limits individuals who are sometimes unable to pursue cases in circuit court for financial reasons. Under the bill, district courts will be able to issue equitable relief in summary possession cases, ejectment cases, cases otherwise within their civil jurisdiction, and cases with a value under \$20,000, thereby offering all persons the ability to claim both equitable and legal relief in a more accessible court.

Your Committee received testimony in favor of the bill from the judiciary and the Hawaii state bar association. Both emphasized the impracticality of the current statute and encouraged the granting of power to district courts for issuing complete relief in smaller civil cases.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 337 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (McCartney, Anderson).

**SCRep. 474     Judiciary on S.B. No. 424**

The purpose of the bill is to establish an interim study group consisting of representatives from the departments of budget and finance, the attorney general, land and natural resources, education, and accounting and general services to address concerns and develop legislation which would provide the department of education with the authority to enter into lease agreements for public school facilities.

Testimony in support of the bill was received by your Committee from the departments of education and land and natural resources.

Your Committee finds that the demand for additional classrooms and support facilities within the public school system has outpaced the State's ability to construct the necessary facilities. Your Committee is also aware that other states have authorized school districts to enter into lease agreements with private developers and landowners. Recent experience has demonstrated that these lease agreements have enabled school facilities to be constructed cheaper and faster. Further, your Committee believes that the results of the interim study group will help determine whether the use of lease agreements by the department of education may be a viable permanent method of providing for public school facilities, where appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 424, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, McCartney).

**SCRep. 475     Judiciary on S.B. No. 444**

The purpose of this bill is to propose a constitutional amendment to reduce the initial term of appointment for circuit court judges from ten to five years.

Your Committee finds that the shorter initial term will provide a probationary period that will better assist the public, the bar, and the judicial selection commission in determining whether a new judge is able to effectively carry out the responsibilities of the office. Circuit court judges wield an enormous amount of power, and it is imperative that newly-appointed judges demonstrate their ability to meet the standards required of the office in a shorter period than the ten years currently provided for under the constitution.

Your Committee believes that this amendment should not have any impact on judges who are able to meet the demands of the office. Ten years, however, is a long time for the bar, and the public it serves, to deal with ineffective judges.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 444 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 476     Judiciary on S.B. No. 562**

The purpose of the bill is to create a criminal offense of ticket scalping.

Ticket scalping, or the practice of buying tickets in advance for an event expected to be a sell out and then reselling those tickets for more than the stated purchase price, has become increasingly frequent in Hawaii, especially for athletic

events. Your Committee finds that criminal regulation is necessary to prohibit and deter this exploitative practice which victimizes the general public to the financial benefit of greedy and unconscionable individuals.

Testimony in support of the bill was received by the university of Hawaii athletic department. The department emphasized the importance of prohibiting ticket re-sales at the event sites or where the tickets are originally being sold.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 562, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, McCartney).

**SCRep. 477 Judiciary on S.B. No. 867**

The purpose of this bill is to resolve uncertainties relating to a statutory provision that is subject to automatic repeal by operation of law.

In particular, on June 14, 1991, section 431:10A-116, Hawaii Revised Statutes (HRS) (coverage for specific services), was amended by Act 268, Session Laws of Hawaii 1991, section 1, by adding a new paragraph (5). Section 5 of Act 268 provided that this HRS section is to be repealed on June 30, 1995. This section has not been amended since June 14, 1991, the effective date of Act 268.

While the apparent intention of the legislature was to repeal only the amendments to section 431:10A-116, HRS, on June 30, 1995, your Committee finds that the absence of language reenacting the HRS sections that are to "drop dead" may lead to uncertainty as to whether only the amendments made to those HRS sections are to be repealed or the underlying HRS sections themselves are to drop dead in their entirety. Your Committee finds that this bill resolves this uncertainty by amending the effective date section of Act 268, Session Laws of Hawaii 1991, to expressly provide for the reenactment of the underlying HRS section amended by Act 268 upon the repeal of that Act, thereby making section 431:10A-116 revert to its 1991 form.

Your Committee notes that the bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 867 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 478 Judiciary on S.B. No. 868**

The purpose of this bill is to resolve uncertainties relating to certain statutory provisions that are subject to automatic repeal by operation of law.

In particular, effective June 18, 1993, section 26-19 (department of transportation), and sections 291C-53 and 291C-165 (traffic code), Hawaii Revised Statutes (HRS), were amended by Act 224, Session Laws of Hawaii 1993, sections 2, 3, and 4, respectively. Section 6 of Act 224 provided that these HRS sections are to be repealed on June 30, 1995.

While the apparent intention of the legislature was to repeal only the amendments to these HRS sections on the "drop dead" date of June 30, 1995, your Committee finds that the absence of language reenacting the HRS sections that are to drop dead leads to uncertainty as to whether only the amendments made to those HRS sections are to be repealed or the underlying HRS sections themselves are to drop dead in their entirety. Your Committee finds that this bill resolves this uncertainty by amending the effective date section of Act 224, Session Laws of Hawaii 1993, to expressly provide for the reenactment of the HRS sections amended by Act 224 upon the repeal of that Act.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 479 Judiciary on S.B. No. 869**

The purpose of this bill is to resolve uncertainties relating to a statutory provision that is subject to automatic repeal by operation of law.

In particular, section 346-64, Hawaii Revised Statutes (HRS) (personal care; payment for services), is repealed on June 30, 1995, and reenacted in the form in which it read on June 30, 1988. See Act 209, Session Laws of Hawaii 1988,

section 5, as amended by Act 164, Session Laws of Hawaii 1991, section 1. Section 1 of the 1988 Act provided in part that the intent of that Act was to make temporary amendments to the law relating to provision of services to include recipients who are not eligible for the medical assistance program. Section 346-64, HRS, was further amended by Act 39, Session Laws of Hawaii 1989, section 1; Act 145, Session Laws of Hawaii 1990, section 1; and Act 164, Session Laws of Hawaii 1991, section 2.

Your Committee finds that unless the legislature takes affirmative action to the contrary, each of these amendments will be repealed along with the 1988 amendments when section 346-64 reverts to its June 30, 1988 form. Your Committee further finds that the amendments made to section 346-64 by the 1990 Act are presumed to have been intended to be permanent, but will be repealed along with the 1988, 1989, and 1991 amendments because of the repeal and reenactment language in the 1988 and 1991 Acts. Although the 1989 amendments appear to be permanent, they amend a definition added by the 1988 Act, which in turn was intended to be temporary. Your Committee finds that this bill amends the present form of section 346-64 to undo the changes made to that section by all of the intervening acts except the 1990 Act, which will continue in effect after the drop dead date.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 869 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 480      Judiciary on S.B. No. 1221**

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions. All amendments are of a purely technical nature and contain no substantive changes to the law.

The reasons for the respective technical amendments made in the bill are as follows:

**Section 1.** L 1994, c 204, §3 amended section 134-2, HRS, relating to permits to acquire firearms, but inadvertently inverted the word order in a portion of subsection (a). The original language of Act 204 stated in part: "No person shall acquire the ownership of a firearm, ... until the person has first procured from the chief of police of the county of the person's place of business or, if there is neither place of business, nor residence or, if there is no place of business, the person's residence, the person's place of sojourn, ..." (emphasis added). The revisor of statutes editorially corrected this manifest clerical or typographical error pursuant to section 23G-15(7), HRS, by rearranging the word order and adding brackets around the corrected language, to read as follows: "... [the person's place of business or, if there is no place of business, the person's residence or, if there is neither place of business nor residence, the person's place of sojourn,]..." The revisor's insertion of the corrected language is ratified by deleting the brackets in subsection (a).

**Section 2.** L 1994, c 264, §§5 and 9, repealed chapter 153, HRS (agricultural products program), and required the chairperson of the board of agriculture to transfer all unexpended or unencumbered balances remaining in the Hawaii agricultural products revolving fund, established in section 153-3, HRS, to the credit of the state general fund prior to June 30, 1994. Section 155-14(a), HRS, which created the agricultural loan revolving fund, contains a reference to the agricultural products revolving fund and repealed chapter 153. Section 155-14(a) is amended by deleting the obsolete references to the agricultural products revolving fund and chapter 153, and by making appropriate grammatical changes.

**Section 3.** L 1994, c 270, §3 repealed section 183-41, Hawaii Revised Statutes (HRS), relating to conservation districts, and enacted a new chapter, relating to the conservation district, which is codified as chapter 183C, HRS. Although Act 270 updated one cross-reference to repealed section 183-41 in section 205-5(a), HRS (see L 1994, c 270, §2), that Act failed to update the remaining cross-references in the HRS. This bill updates all of the remaining superseded cross-references to that repealed section in the HRS, except references contained in sections 26-16(d) and 205-2(a)(4), HRS, which require rewording that is beyond both the revisor of statute's scope of statutory revision authority under chapter 23G, HRS, as well as what may reasonably be included in a bill of this nature. Section 171-58.5(2), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C.

**Section 4.** Section 183-42, HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 5.** Section 183-44(a), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 6.** Section 183-45, HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41(e) (enforcement) and replacing it with the correct reference to section 183C-7 (penalty for violation); and (2) by replacing references to "provision" and "subsection" with the more appropriate reference to "chapter". See comment to section 3 of this bill.

**Section 7.** Section 188-68(a), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 8.** Section 190D-11(b), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 9.** Section 195F-2, HRS, is amended by deleting the obsolete cross-reference to section 183-41 in the definition of "potential natural area reserve" and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 10.** Section 205-5.2(b), HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C; and (2) making technical and grammatical corrections. See comment to section 3 of this bill.

**Section 11.** Section 205-15, HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C; (2) replacing the incorrect reference to "regulations" to "rules"; and (3) making other technical, nonsubstantive changes. See comment to section 3 of this bill.

**Section 12.** Section 205A-41, HRS, is amended by deleting the obsolete cross-reference to section 183-41 in the definition of "board approval" and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 13.** Section 205A-43.6(c), HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C; and (2) changing the gender-specific term "manmade" to the gender-neutral term "artificial" pursuant to section 23G-15(8), HRS. See comment to section 3 of this bill.

**Section 14.** Section 219-4(a), HRS, which created the aquaculture loan revolving fund, contains a reference to the agricultural products revolving fund and chapter 153. As explained in the comment to section 155-14, HRS (section 2 of this bill), the agricultural products revolving fund, established in section 153-3, HRS, was repealed by L 1994, c 264, and all unexpended or unencumbered balances remaining in that fund were transferred to the credit of the state general fund prior to June 30, 1994. Section 219-4(a) is amended by deleting the obsolete references to the agricultural products revolving fund and chapter 153, and by making appropriate grammatical changes.

**Section 15.** Section 220-1(a), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 16.** Section 237-24.7, HRS, relating to certain general excise tax law exemptions, was amended in 1993 by two acts--L 1993, c 129, §2, exempting certain Hurricane Iniki losses retroactive to May 1, 1993, and L 1993, c 315, §2, exempting taxes on hospital and nursing facility income--both of which added a new paragraph (5) to section 237-24.7.

Section 237-24.7 was further amended in 1994 by L 1994, c 230, §1; however, that 1994 amendment amended only the version of section 237-24.7 as amended by L 1993, c 315, and therefore did not make reference to the amendment made by L 1993, c 129.

The revisor of statutes subsequently incorporated the amendment to section 237-24.7 made by L 1993, c 129, by adding the paragraph exempting Hurricane Iniki losses, renumbered as paragraph (6).

Section 237-24.7 is amended by underscoring both paragraphs (5) and (6), indicating the addition of new language pursuant to the Ramseyer format, for the following reasons: (1) to ratify the actions taken by the revisor; (2) to demonstrate the clear intent of the legislature in adding both 1993 amendments to that section; and (3) to eliminate any questions or ambiguity that may arise as to the effectiveness of any of the amendments to that section.

As reflected in the effective date section of this bill: (1) the amendment to section 237-24.7(5) is to take effect retroactive to July 1, 1993, or the effective date of reimbursement changes referred to in section 346E-14, whichever is later, pursuant to L 1993, c 315, §8, as amended by L 1994, c 230; and (2) the amendment to section 237-24.7(6) is to take effect retroactive to May 1, 1993, and is to be applied retroactively to September 11, 1992, pursuant to L 1993, c 129, §4.

**Section 17.** L 1994, c 192, §2, enacted a new section to chapter 323, codified as section 323-74, HRS, establishing collections revolving funds for Maui Memorial Hospital, Hilo Hospital, and Kona Hospital. However, the names of the Hilo and Kona Hospitals had been changed to "Hilo Medical Center" and "Kona Community Hospital" by L 1994, c 11. Section 323-74, HRS, is therefore amended to reflect these name changes.

**Section 18.** Section 421H-6(a), HRS (relating to arbitration of disputes with respect to limited-equity housing cooperatives), refers to the "Horizontal Property Regime Rules on Arbitration of Disputes of the American Arbitration Association". While the term "horizontal property regime" was changed to "condominium property regime" by L 1988, c 65, that reference in section 421H-6(a) was retained since the American Arbitration Association rules continued to refer to "horizontal property regime". Those rules, however, as amended by the American Arbitration Association and in effect on April 10, 1994, now refer to "condominium property regime". Section 421H-6(a), HRS, is therefore amended by substituting the new reference to "condominium" for the old reference to "horizontal".

**Section 19.** Section 514A-121(a), HRS (relating to arbitration of disputes with respect to condominium property regimes), refers to the "Horizontal Property Regime Rules on Arbitration of Disputes of the American Arbitration Association". As discussed in the comment to section 18, those rules, as amended by the American Arbitration Association and in effect on April 10, 1994, now refer to "condominium property regime". Section 514A-121(a), HRS, is therefore amended by substituting the new reference to "condominium" for the old reference to "horizontal".

**Section 20.** L 1993, c 238, §1, relating to tort reform, amended L Sp 1986, c 2, §31 (the effective date section), which in turn had been amended by L 1989, c 300, §2 and L 1991, c 62, §1. However, the prefatory language in L

1993, c 238, §1 amended L Sp 1986, c 2 without specifying that only section 31 of that Act was being amended. The unintended result is that L Sp 1986, c 2 is amended by deleting all of the sections of that Act except section 31. The prefatory language of L 1993, c 238, §1 is therefore amended by specifying that only section 31 of L Sp 1986, c 2 is to be amended.

**Section 21.** Sections 37-34, 37-35, 37-36, 37-37, and 37-74, HRS, relating to the budget, were repealed on June 30, 1994, and were reenacted in the form in which they read on June 30, 1986 by L 1986, c 320, §8, as amended by L 1987, c 283, §8, and L 1989, c 370, §8.

L 1994, c 281, §4 purported to delete that repeal and reenactment, but that deletion came too late--L 1994, c 281 became effective on July 6, 1994, but sections 37-34, 37-35, 37-36, 37-37, and 37-74 had already been repealed and reenacted by operation of law on June 30, 1994. See L 1994, c 281, §§4, 12.

L 1994, c 281 also made amendments to the most recent versions of sections 37-34, 37-35, 37-36, 37-37, and 37-74, that incorporated all of the intervening amendments to those sections, which also became effective on July 6, 1994. See L 1994, c 281, §§5, 6, 7, 8, 9, and 12.

Because the legislature clearly intended that L 1994, c 281, §4 delete the repeal and reenactment language affecting sections 37-34, 37-35, 37-36, 37-37, and 37-74, HRS, but the deletion of that language was not made in a timely manner, L 1994, c 281, '12 is amended to make that deletion retroactive to June 29, 1994, the day before the original repeal date of 37-34, 37-35, 37-36, 37-37, and 37-74, HRS.

The revisor of statutes set out these affected HRS sections in the 1994 HRS Supplement as if the deletion of the repeal and reenactment language was timely. This amendment to L 1994, c 281, §12 ratifies the actions taken by the revisor. As reflected in the effective date section of this bill, this amendment is to take effect retroactively to June 29, 1994.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 481     Judiciary on S.B. No. 1587**

The purpose of the bill is to specify that a person who knowingly possesses 100 or more capsules, ampules, dosage units, or syrettes containing one or more dangerous drugs commits the offense of promoting a dangerous drug in the first degree.

Your Committee finds that a large loophole exists under section 712-1241, HRS, which is designed to deter individuals from possessing large quantities of drugs. Under the law, a person commits the offense of promoting a dangerous drug in the first degree if the person knowingly possesses one or more ounces of illegal drugs, as specified in section 712-1240. In accordance with section 712-1242(1)(a), a person commits the offense of promoting a dangerous drug in the second degree if the person knowingly possesses 25 or more capsules, tablets, ampules, dosage units, or syrettes, containing one or more dangerous drugs. The loophole the bill addresses is where a person can possess large quantities of lighter varieties of dangerous drugs without violating the weight requirement for promoting a dangerous drug in the first degree. For example, one and one-half ounces of Dilaudid 4 mg, a narcotic painkiller more powerful than morphine, is equivalent to 474 tablets.

Your Committee finds that an individual who illegally possesses large quantities of any dangerous drugs threatens public health and safety. As a result, your Committee believes that it is important to deter such activities by making the possession of 100 or more dangerous drugs a class A felony.

Your Committee received favorable testimony from the department of public safety and the Honolulu police department. Both departments supported the amendment and emphasized the importance of enforcing stricter, more specific charges against individuals possessing large quantities of drugs.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1587 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 482     Judiciary on S.B. No. 1638**

The purpose of the bill is to clarify requirements for the recordation of instruments in the bureau of conveyances.

Your Committee finds that of the 300,000 instruments per year that the bureau of conveyances records, many must be returned to the senders for original signatures. Your Committee believes that original signatures on documents submitted to the bureau are important for validation purposes, and that a statute requiring such signatures will reduce the work load that result from confusion on the matter.

Your Committee received testimony in support of the bill from the bureau of conveyances which estimated that a 20 per cent reduction in its work load could be achieved if the requirement of original signatures and specific rules regarding

document size and format were codified. According to the testimony, the specific recordation requirement proposed in the bill will help standardize document submittals, increase staff efficiency, and further streamline the recordation process.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1638, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 483     Judiciary on S.B. No. 1776**

The purpose of the bill is to give the lieutenant governor or the county clerk the authority to cancel public agency meetings when the public notice requirements are not met.

Hawaii's sunshine law was enacted to open our governmental processes to citizens and to increase citizen participation in the formulation of public policy. This bill provides an enforcement mechanism directed at further achieving the sunshine law's objectives.

Testimony in support of the measure was submitted by the attorney general and Common Cause Hawaii.

Currently, there are two mechanisms which allow a meeting to be challenged on the basis of inadequate notice. First, a person may bring a civil action in the circuit courts to void any final action taken by a board found to be in wilful violation of the law, and to enjoin any further violations of the law. Second, persons wilfully violating the law may be prosecuted for misdemeanors and summarily removed from a board upon conviction. This bill proposes a third, prescriptive approach to ensuring that the objectives of the sunshine law's are achieved by providing for the cancellation of meetings not noticed six calendar days prior to the meeting.

Your Committee recognizes that procedurally, the bill will require the lieutenant governor and the respective county clerks to enforce the public notice requirements of the sunshine law on behalf of the state and county boards. The procedure requires the lieutenant governor and the county clerks to notify the chairperson of the board or the director of the department of a notice's tardy filing, and require the chairperson or director to post a notice canceling the meeting at the meeting site.

Your Committee finds that this measure is both cost-effective and user-friendly as it will avoid unnecessary expense and inconvenience for those attending a meeting which will have to be re-scheduled in keeping with the statutory public notice requirements. Your Committee further finds that the bill improves the existing guidelines on public meeting notice requirements should ultimately result in fewer civil suits seeking to enjoin a public meeting and invalidate decision making.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1776 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (McCartney, Anderson).

**SCRep. 484     Judiciary on S.B. No. 1778**

The purpose of the bill, as received by your Committee, is to authorize boards to hold closed meetings when it is necessary for them to meet at a dangerous location.

Your Committee recognizes that there may be instances when boards need to meet at sites which may not safely accommodate the public. The attorney general, testifying in support of the bill, indicated that boards like the Kahoolawe island reserve commission may need to hold meetings on Kahoolawe. Your Committee finds that such "limited meetings", although closed to the public, will not completely bar public participation, as the bill requires that limited meetings conducted under this provision be videotaped in the event any member of the public may want to review the proceedings of the meeting. Furthermore, boards conducting limited meetings are precluded from making decisions during the meetings.

Common Cause Hawaii voiced a concern that permitting limited meetings may lead to abuse of the sunshine laws. Your Committee believes that the limited circumstances in which the public will not be able to attend and the requirement for videotaping, will prevent abuse of the sunshine laws.

Upon further review, your Committee amended the bill to clarify that public notice of a limited meeting must be posted pursuant to the sunshine laws chapter.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (McCartney, Anderson).

**SCRep. 485     Transportation and Government Affairs on S.B. No. 185**

The purpose of this bill is to prohibit operation of a state motor vehicle by any person other than a state employee, and to prohibit the use of the vehicle to carry, transport, or convey any person other than a state employee.

Testimony in opposition to this bill was received from the Department of Health, the Department of Human Services, and the Department of Accounting and General Services. These Departments were concerned that the prohibition against transporting, carrying, or conveying any persons who were not state employees would prevent them from providing essential social services to the public. In particular, concerns were raised that such prohibition would preclude the transport of disabled or mentally ill persons to community-based programs or activities and of persons for medical evaluations in child or adult abuse cases.

In response to the testimony, your Committee has amended the bill to eliminate the prohibition against transporting or carrying persons other than state employees.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 185, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Tanaka).

#### **SCRep. 486 Education on S.B. No. 1296**

The purpose of this bill is to modify certain provisions related to the establishment of student-centered schools.

Your Committee finds that recent systemic education reform has focussed on providing autonomy and flexibility at the school level to address the diverse needs of our students. Your Committee further finds that the student-centered school concept is an important component in the State's initiative to promote school autonomy. Thus, it is incumbent upon the legislature to address concerns which have been raised by schools which are attempting to proceed with this initiative.

Your Committee has amended this bill by:

- (1) Exempting student-centered schools from board of education policies and Hawaii administrative rules;
- (2) Providing that a simple majority of parents attending a public meeting must vote to approve a local school board student-centered school plan;
- (3) Requiring that the local school board make multiple attempts to inform parents of the plan and give sufficient notice of the public meeting at which the parents will vote on the plan; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1296, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 487 Education on S.B. No. 1868**

The purpose of this bill, as received by your Committee, is to direct the revisor of statutes to recodify certain chapters within the education title of the Hawaii Revised Statutes.

Your Committee finds that title 18 of the Hawaii Revised Statutes sets forth various education policies which have been impacted by the ongoing systemic education reforms. Your Committee further finds that in order to realize certain reforms, the education statutes need to be reviewed, modified, and reorganized to reflect recent policy changes. Your Committee also recognizes, however, that further study needs to be undertaken prior to the actual implementation of such a recodification.

Your Committee, therefore, has amended this bill by:

- (1) Deleting the recodification mandate and directing the legislative reference bureau to apply a proposed organizational framework to certain chapters of title 18 and identify statutes which should be consolidated, amended, or repealed to conform with recent education policy initiatives;
- (2) Creating an interim statutory revision study group to be co-chaired by the chairs of the respective education committees of the legislature for the purpose of receiving community input about the proposed statutory recodification; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1868, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tam).

**SCRep. 488 Planning, Land and Water Use Management on S.B. No. 1650**

The purpose of this bill is to extend by one year to June 30, 1996, the date for the Department of Land and Natural Resources to complete a land transfer between the State and the Galbraith Estate.

Act 177, Session Laws of Hawaii 1994, authorized the State to enter into this land exchange. The repeal date of the Act is presently June 30, 1996. However, the Board of Land and Natural Resources submitted testimony that the land approval and recordation process may not be completed by the June 30, 1995 statutory deadline.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1650 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ige).

**SCRep. 489 Agriculture, Labor, and Employment on S.B. No. 1256**

The purpose of this bill is to exempt a nonpatient spouse of a Hansen's disease patient who resides with the patient at the patient's care facility from having to work at the facility.

The bill also provides:

- (1) That the nonpatient spouse may reside at the care facility only if the patient spouse requests such an arrangement; and
- (2) That although the nonpatient spouse is not required to work or provide volunteer services while domiciled at the care facility, the nonpatient spouse may provide such services if so inclined.

Your Committee finds that in many cases, Hansen's disease patients are elderly and their spouses often are too old to be required to provide services in exchange for residence with their loved one.

Your Committee believes that allowing nonpatient spouses to reside with their patient spouses is an appropriate and humanitarian policy that removes an onerous hardship on families who already suffer from the problems associated with Hansen's disease.

Your Committee has amended the bill by clarifying that a nonpatient spouse may reside with the patient spouse throughout the patient spouse's term of residence at the facility and for as long as the patient spouse so desires.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1256, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1256, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 490 Consumer Protection on S.B. No. 200**

The purpose of this bill is to establish the food safety education advisory committee within the department of health, to advise the director of health on food safety issues, generate participation by the food management industry in food safety education activities, and generally review and evaluate such education activities.

Your Committee finds that education is the most effective means of controlling potential problems related to hazardous food and the spread of foodborne diseases. Your Committee further finds that the interdisciplinary approach presented by the advisory committee ensures that the program is comprehensive and cost-effective.

Your Committee has amended this bill by:

- (1) Deleting all references to private organizations within the statutes to conform with proper drafting style; and
- (2) Changing the effective date to July 1, 1995 and inserting a sunset provision to repeal the advisory committee three years after the effective date of this Act.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 491 Consumer Protection on S.B. No. 365**

The purpose of this bill is to clarify the scope of permissible work performed by licensed general contractors.

This bill prohibits a general engineering contractor or a general building contractor from performing the work of specialty contractors, unless the Contractors Licensing Board specifically includes the specialty classification when granting a license to that general contractor. The bill also defines "incidental and supplemental" work, which specialty contractors are allowed to do under present law, as work which is in addition and subordinate to the scope of specialty classifications.

Under the present contractor licensing system, a controversial issue has always been the scope of work that a "B" contractor (general building contractor) can perform. The Contractors Licensing Board attempted to resolve this matter in May of 1993 by authorizing "B" contractors to perform all of the work involved on a structure and to supervise and subcontract out the entire project or any part of it.

The Board's decision has spurred more controversy from the specialty contractors. According to testimony of the Plumbing and Mechanical Contractors Association of Hawaii, both general and specialty contractors must have the knowledge and skill required to do the work.

Your Committee finds that the intent of the licensing law is to provide adequate protection to the consumer public by ensuring that persons doing construction work have the minimum qualifications for that work, particularly in view of the increasing complexity of new building methods and techniques. Your Committee believes that this bill would protect consumers from shoddy artisanship and construction of unsafe structures.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 365 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

#### **SCRep. 492 Consumer Protection on S.B. No. 526**

The purpose of this bill is to increase the amount of malt beverage a brewpub can manufacture on the premises.

Your Committee finds that Act 174, Session Laws of Hawaii 1994, authorized the establishment of brewpubs which manufacture and serve malt beverages on the premises. Your Committee further finds that the three thousand barrel limit imposed on the manufacture of malt beverages has proved to be insufficient to meet consumer demand, and increasing the limit to five thousand barrels would allow brewpubs to manufacture an adequate supply to meet consumer demand.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 526 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

#### **SCRep. 493 Consumer Protection on S.B. No. 909**

The purpose of this bill is to prohibit the insurance commissioner from approving surcharges for motor vehicle insurance rates covering electric vehicles unless surcharges are actuarially justifiable.

Your Committee finds that protection from insurance surcharges applied to electric vehicles, unless actuarially justified, is necessary because it will assist in promoting the sale of the vehicle by guaranteeing insurance rates will not be unreasonably inflated. Your Committee further finds that this protection will also ensure that the electric vehicle owner will not be forced to bear the cost of an artificial rate increase based solely on new technology.

Your Committee has amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 909, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 909, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

#### **SCRep. 494 Consumer Protection on S.B. No. 958**

The purpose of this bill is to allow depository financial services loan companies to invest in mutual funds.

Your Committee received favorable testimony on this bill and finds that allowing depository financial services loan companies to invest in mutual funds, within the guidelines set forth in this bill, may allow smaller depository financial services loan companies to diversify their portfolios under professional management, lower transaction costs, reduce investment risk, and provide greater liquidity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 958 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 495 Consumer Protection on S.B. No. 960**

The purpose of this bill is to clarify the general powers and consumer loan charges of financial services loan companies.

This bill authorizes financial services loan companies to sell and collect premiums or fees for non-filing insurance and deletes references to insurance premiums as permitted charges of financial services loan companies.

Based on testimony of the Hawaii Financial Services Association which stated it reviewed this bill with the Commissioner of Financial Institutions, Department of Commerce and Consumer Affairs, your Committee has amended this bill by deleting section 1, as to non-filing insurance, and retaining references to insurance premiums as permitted charges but increasing the amount of fees that can be charged from \$4 to \$20. Your Committee has also corrected a typographical error.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 960, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 496 Consumer Protection on S.B. No. 961**

The purpose of this bill is to permit financial services loan companies to charge an annual fee and over-limit charge when open-end credit is extended.

Your Committee received favorable testimony on this bill indicating that it is essentially a housekeeping measure which reinstates authority previously allowed, but inadvertently omitted during the recodification process of the Code of Financial Institutions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 961 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 497 Consumer Protection on S.B. No. 1520**

The purpose of this bill is to require the Department of Health to adopt and use a uniform billing form and format and to develop a public health dataset for public health assessment, policy development, and consumer information.

Almost all providers of health care services use a similar form at present; however, individual insurance carriers often require different information in different places on the present form. Your Committee finds that adopting a uniform billing form and format would help in the development of a more efficient health claims system, would lessen the amount of confusion, and possibly reduce the high rate of claims rejection.

Your Committee further finds that the development of a public health dataset as proposed in this bill is needed as the lack of coordinated data has impeded the operation of the health care "marketplace" and the development of rational health care policies.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1520, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 498 Consumer Protection on S.B. No. 1625**

The purpose of this bill is to allow collection agencies that enter into contracts with the University of Hawaii for the collection of delinquent student loans to collect commissions or fees from the debtor. This bill also exempts collection agencies whose principal place of business is out-of-state from maintaining a regular active business office in the state of Hawaii and from designating a principal collector.

Your Committee finds that collection agencies are an integral part of the University of Hawaii's efforts to collect delinquent loans and that collection agency costs are a significant expense to the University. Allowing a collection agency to collect limited fees or commissions from a delinquent debtor would reduce collection expenses for the University and provide an important incentive for the delinquent borrower to repay the loan on time.

Furthermore, the University solicits bids from collection agencies both locally and nationally for the collection of delinquent loans. Requiring mainland agencies to maintain a business office in the State as well as to designate a principal collector is uneconomical and burdensome for these companies, and ultimately forces the University to contract with higher bidders.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1625, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 499 Consumer Protection on S.B. No. 1722**

The purpose of this bill is to make a technical correction to a definition in the financial institutions statutory chapter.

This bill corrects the term "mutual associations" as it appears in the definition of "capital" in section 412:1-109, Hawaii Revised Statutes, to read "mutual savings and loan associations".

Your Committee received supporting testimony for this administration measure from the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1722 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 500 Consumer Protection on S.B. No. 1723**

The purpose of this bill is to make a technical correction in a statutory section relating to consent orders for financial institutions.

This administration housekeeping measure adds the word "or" to section 412:2-309, Hawaii Revised Statutes, which appeared to have been inadvertently dropped in the course of drafting the law in 1993.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1723 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 501 Consumer Protection on S.B. No. 1727**

The purpose of this bill prepared by the administration is to correct an erroneous reference to a section of law that does not exist.

Your Committee finds that section 412:4-101 (forms of deposit), Hawaii Revised Statutes (HRS), enacted as part of Act 350, Session Laws of Hawaii 1993, refers to section 412:8-205, HRS, a section of law that does not exist. This bill provides the correct reference to section 412:8-200, HRS (Powers of Trust companies: general powers) as set out by the legislative intent of Act 350, Session Laws of Hawaii 1993.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1727 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 502 Consumer Protection on S.B. No. 1729**

The purpose of this bill is to require the written approval of the commissioner of financial institutions of this State for any proposed change to a credit union's field of membership and upon receipt of the approval, the change shall be reflected formally in the credit union's articles of association.

Your Committee finds that this is an administrative measure that would maintain the viability of Hawaii state chartered credit unions as an equal and realistic alternative to federally chartered credit unions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1729 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 503 Consumer Protection on S.B. No. 1732**

The purpose of this bill is to repeal the provision that books and records of the Board of Massage Therapy are public records.

According to testimony of the Board of Massage Therapy, the public records requirement for books and records has meant an unwarranted invasion of personal privacy, particularly as to applicants for a license who have not yet been granted a license.

Your Committee received testimony from the Office of Information Practices that this amendment would mean that the books and records are governed by the Uniform Information Practices Act (Modified) of chapter 92F, Hawaii Revised Statutes. As such, they took no stand on this administration measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1732 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 504 Consumer Protection on S.B. No. 1742**

The purpose of this bill is to clarify the licensing requirements and applicability of the law for the practice of pharmacy.

This bill amends provisions relating to verification of unencumbered licensure with other states for reciprocity purposes and clarifies the applicability of the law as to legally licensed practitioners to prescribe prescription drugs. This bill also adds a requirement for proficiency in English for foreign pharmacy school graduates and clarifies examination requirements.

Your Committee received supporting testimony for this administration measure from the Board of Pharmacy.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1742 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 505 Consumer Protection on S.B. No. 1744**

The purpose of this bill is to amend the laws relating to professional and vocational licensing.

Specifically, the bill clarifies the Department of Commerce and Consumer Affairs Professional and Vocational Licensing Division's (PVLVD) responsibilities by:

- (1) Providing that an application filed with PVLVD and left incomplete for two years shall be considered abandoned;
- (2) Requiring that an applicant submit information including resident and business telephone numbers, citizenship, similar licensure in other jurisdictions, and any disciplinary actions taken against the applicant in the applicant's licensed capacity in other jurisdictions;
- (3) Providing that failure to submit any PVLVD requested information and any applicable fees shall be grounds for denial of the application;
- (4) Providing PVLVD with the authority to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to require any applicant to submit any additional information; and
- (5) Making numerous stylistic amendments.

Your Committee believes that the amendments contained in this bill provide PVLVD with the necessary information and flexibility to carry out its mandated purpose of ensuring the integrity of regulated professions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1744 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 506 Consumer Protection on S.B. No. 1746**

The purpose of this bill is to require a permit to practice as an acupuncture intern within the State.

Your Committee finds that under this bill, the issuance of such a permit would entitle an acupuncture intern to engage in the practice of acupuncture for a period of four years under the immediate supervision of a licensed acupuncturist that is duly licensed by the State. Additionally, the bill provides that an acupuncture intern permit can only be reissued once for a period of up to two years and that the permit requirements of the bill shall not take effect until the Board of Acupuncture adopts rules to administer the permit program.

Your Committee believes that the further regulation of the field of acupuncture will protect the health and welfare of the general public by ensuring that only qualified acupuncture practitioners are administering such treatment to patients.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1746 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 507 Higher Education, Culture, and Arts on S.B. No. 639**

The purpose of this bill is to amend the Hawaii Revised Statutes relating to historic preservation by inserting a provision that permits determinations made by the department of land and natural resources pursuant to sections 6E-8 (review of effect of proposed state projects) and 6E-42 (review of proposed projects), Hawaii Revised Statutes (HRS), to be administratively appealed to the Hawaii historic places review board as a contested case pursuant to chapter 91 (administrative procedure), HRS.

Your Committee has amended the bill by limiting appeals of determinations made by the department of land and natural resources to proposed state or county projects and deleting the provision designating such appeals as contested cases so as to avoid more time, cost, and complexity for these appeals.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 639, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 639, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ikeda).

**SCRep. 508 Judiciary on S.B. No. 92**

The purpose of the bill, as received by your Committee, is to extend family court's jurisdiction over a minor fifteen years of age or older, who is alleged to have committed an act that would constitute murder in the first or second degree, until the minor reaches the age of twenty-three and to permit jury trials for minors alleged to have committed these offenses.

Currently, section 571-11(1), Hawaii Revised Statutes, provides that family court has exclusive jurisdiction over a person alleged to have committed a criminal act prior to reaching eighteen years of age. This jurisdiction may last for the period of minority and may be extended to age nineteen, and under certain circumstances, to twenty years of age.

This measure establishes a process that would permit the director of human services or the office of youth services to petition for a renewal of commitment of a youth under their care until the youth is twenty-three, should such renewal be necessary to safeguard the public interest or the welfare of the youth. As a result, a youth of fifteen years of age who commits murder in the first or second degree, can be incarcerated and supervised for a period of eight years.

Your Committee received testimony in support of the bill from the public defender, the office of youth services (OYS) and OYS former director Wayne Matsuo. The Honolulu prosecutor submitted testimony in opposition indicating that such a policy would add little to public safety.

Your Committee shares the prosecuting attorney's concerns for public safety. However your Committee remains philosophically opposed to the concept of having fifteen year olds in adult prisons. Your Committee believes that it is simply too soon to throw away the key.

Your Committee believes that retention of family court jurisdiction in these cases is appropriate and that upon reaching nineteen years of age, it would likewise be appropriate for the family court to turn jurisdiction over to the public safety department.

Your Committee amended the bill to delete the provision of jury trials in these circumstances. Your Committee agrees with the testimony of the judiciary that it serves no apparent constitutional or policy reason to require jury trials. Your Committee further amended the bill to include those minors alleged to have committed an act which would constitute sexual assault in the first degree.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 92, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 92, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, McCartney).

**SCRep. 509 Judiciary on S.B. No. 100**

The purpose of the bill, as received by your Committee, is to clarify the certification requirements by those individuals seeking the nomination of a political party in the primary election.

Currently, party membership is self-certified by a party candidate. Your Committee believes that the responsibility properly falls with the political parties to certify membership in the party. Both the Democratic Party of Hawaii and the Hawaii Green Party testified in support of this measure and provided language which would require a letter acknowledging that the candidate is a bona fide member of the party from the state or county chairperson of the political party.

Concerns have been raised that this procedure may result in censorship, or unfair screening of political views by the political party. Your Committee has therefore amended the bill by making it clearer that it is only the fact of holding membership that is being required by this measure and that certification of party membership is intended to be a ministerial function on the part of the political parties.

Your Committee is aware of instances in which individuals have run as members of political parties without any intention of applying for membership in the party, in effect misleading the public. Your Committee believes that these individuals should not be allowed to run in the party primary and should more appropriately run as independent candidates.

In the final analysis, your Committee believes that party membership is not a matter of self-declaration, nor should election officials bear the responsibility for ensuring party membership - but that the political parties have the responsibility of certifying party membership for party nomination purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 100, S.D. 1, and recommends that it pass Third Reading as amended herein as S.B. No. 100, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (McCartney, Anderson).

#### **SCRep. 510     Judiciary on S.B. No. 158**

The purpose of the bill, as received by your Committee, is to establish a new chapter defining graffiti damage to State property, and to impose civil fines.

Testimony in support of the bill was received from the Honolulu Mayor's Office, Honolulu Councilmember Donna Kim, the Honolulu police department, the public defender, and several individuals and community associations in Salt Lake and Waikiki.

Your Committee finds that graffiti has become a serious community concern. The problem has grown to the point where significant community resources and individual time must be dedicated for clean-up purposes on a regular basis.

This measure will enable the State to impose civil fines commensurate with the cost to restore, repair, or replace the defaced or damaged property upon any person who has placed graffiti on any real or personal property owned, managed, or maintained by the State. Further, the bill provides that, in instances involving minors, a parent or guardian having custody over the minor will be held jointly and severally liable for any civil fines. Your Committee believes that civil fines will serve as a deterrent to such activity and will enable the State to recoup losses sooner than through criminal prosecutions.

Your Committee amended the bill by including private property owners as the testimony received indicated that private property owners, particularly in Salt Lake, are being hit hard by graffiti. Your Committee further amended the bill to exclude county property from the provisions of the chapter, as those provisions are contained in a companion measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 158, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 511     Judiciary on S.B. No. 159**

The purpose of the bill is to extend the sunset provision of the expedited sentencing law from June 30, 1995 to June 30, 1998.

Act 316, Session Laws of Hawaii 1993, provided a special sentencing option for intrafamily sex offenders. Since passage of the act two years ago, 37 defendants have been offered this sentencing option by the county prosecutors of Hawaii, Maui, and Kauai. Of the 37 cases, 17 defendants accepted the option, 16 refused, and 4 are pending. Of the 17 defendants who accepted expedited sentencing option, the prosecutors had no objections in 6 cases, declined in 2 cases, and 9 cases remain pending. Roughly 40 per cent, or 13 cases, remain in the "pending" category.

Testimony in support of making the program permanent was received from the public defender, the judiciary, the department of public safety, the department of human services, the prosecuting attorneys from Hawaii, Maui, and Kauai, the attorney general, the Friends of the Children's Advocacy Center, a psychotherapist from the Big Island, a DHS social worker, a guardian ad litem, and a psychotherapist, all from Kauai. The Honolulu prosecuting attorney, the Hawaii State Commission on the Status of Women, and Sex Abuse Intervention Inc. opposed the bill. Kapiolani Hospital, the Child Welfare Services, State Advisory Council, and the Hawaii State Coalition against Sexual Assault testified in support of extending the sunset date to June 30, 1998.

Your Committee finds that the expedited sentencing program has been a viable alternative in a small number of select cases and that it should continue to be available within the criminal justice system. However, your Committee believes that, while admittedly intrafamily sex offenders take a longer time to evaluate, nevertheless with the large number of cases still pending, there is insufficient basis from which to determine whether the program should be made permanent. Your Committee therefore believes that the sunset date should be extended to June 30, 1998.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 159 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, McCartney).

#### **SCRep. 512 Judiciary on S.B. No. 160**

The purpose of the bill is to authorize the counties to impose a civil fine on persons who place graffiti on any real or personal property owned, managed, or maintained by the counties. The fines are made equal to the cost to repair, restore, or replace the defaced property. Joint and several liability is also imposed on the parents or guardians having custody over the minors.

The bill also extends the sunset date for HRS section 46-1.5 (24) to June 30, 1997. This subparagraph enables the counties to add unpaid civil fines to any taxes, fees or charges collected by the county and to withhold county licenses, permits and approvals from the persons liable for the fine until paid.

Testimony in support of the bill was submitted to your Committee by the Honolulu police department, Councilmember Donna Kim and Ernest Taira, a private citizen.

Your Committee is aware that there is a companion bill, S.B. 158 S.D. 1, which affords similar powers to the State and extends the same remedies to private property owners. Your Committee finds that the bill will assist the counties in the recovery of damages from graffiti and place responsibility on the parents or guardians of minors who vandalize property by graffiti. The civil fine system should enable the authorities to deal more effectively with graffiti vandals than the criminal process.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 513 Judiciary on S.B. No. 288**

The purpose of the bill, as received by your Committee, is to prohibit the harassment of, or interference with, hunters and fishermen engaged in lawful activity.

Testimony in support of the bill was submitted by the board of land and natural resources, the public defender, the University of Hawaii environmental center, the Hawaii Rifle Association, the Wildlife Conservation Association of Hawaii, and several interested citizens.

Your Committee is aware that the bill is similar to legislative proposals which have been introduced in other states in response to highly publicized protest actions by animal rights groups. Your Committee believes that while harassment of this type has not been a widespread problem in Hawaii, there have been instances of it, particularly on Molokai.

Your Committee has amended the bill by inserting the term "intentionally" to make clear, as testified to by the public defender, that the act of harassment must be an intentional, and not an inadvertent, act.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 288, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 514 Judiciary on S.B. No. 320**

The purpose of the bill is to eliminate the criminal sanctions for a violation of parking control rules promulgated by the comptroller.

Your Committee finds that, because the penalty provisions under Act 214 define parking offenses as misdemeanors and include criminal sanctions such as imprisonment, these offenses are still treated as traffic crimes and cannot be handled in the new decriminalized civil traffic system. The bill deletes the imprisonment penalties to allow cases to be processed in the civil traffic system.

Your Committee received testimony in support of the bill from the judiciary which indicated that parking offenses have already been decriminalized and that the failure to include the offenses specified in the bill was probably an oversight.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 320 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 515 Judiciary on S.B. No. 385**

The purpose of the bill is to redefine that any public assistance obtained by fraud be considered as an act of theft.

Your Committee is aware that welfare fraud has become a serious problem in recent years, with foodstamps and other welfare benefits being traded or sold for money, drugs, and alcohol. This type of activity perpetuates abusive practices by individuals within the welfare system who frequently operate with little or no fear of prosecution.

Testimony was received in support of the bill from the department of human services.

Your Committee recognizes that under present law, a person may commit numerous acts of welfare fraud and still be subject to a misdemeanor criminal penalty, regardless of the dollar amount or the type of fraud. The measure will increase the penalty to include the possibility of being charged with a felony, depending on the amount of welfare fraud involved. Furthermore, under the theft provisions of the Hawaii penal code, both the person committing the theft and the person receiving the "stolen" property are chargeable with the offense.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 385 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, McCartney).

**SCRep. 516 Judiciary on S.B. No. 722**

The purpose of the bill is to eliminate the sunset clause for the cooling off period provisions of section 709-906, Hawaii Revised Statutes.

Testimony in support of the bill was submitted by the Honolulu prosecuting attorney, the commission on the status of women, the Honolulu police department, the Domestic Violence Hotline, and the Family Peace Center.

Your Committee recognizes that while most criminal statutes are concerned only with responding to crime after it has occurred, the provisions of the domestic violence laws are designed to promote peace in the household and prevent additional and often more serious crime. In the event that police officers determine that abuse may occur, they are authorized to issue a cooling off warning in the form of a citation. The citation advises suspects that should they return to the location where the citation has been issued prior to the expiration of the mandatory twenty-four hour period, they are subject to immediate arrest. Thus, officers may respond not only to conduct that has already taken place, but act proactively to inhibit further abuse that might be anticipated.

Your Committee believes that these unique provisions have undoubtedly saved many potential or actual victims from actual or further harm and that the effectiveness and value as a statutory provision has clearly been proven.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 722 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 517 Judiciary on S.B. No. 828**

The purpose of the bill is to allow the office of Hawaiian affairs to establish a successor determination program that would allow those with an interest in homestead leases to determine their legal claim in a 999-year homestead lease.

Your Committee finds that many lessee families are unable to determine the rightful successors to their 999-year homestead leases granted during the period 1895-1921. Testimony indicated that there are approximately 51 families that still hold these leases today. Your Committee is aware that documentation of original leases is often lost, resulting in tremendous conflicts and problems within some families. The inability to determine successorship prevents a rightful successor from purchasing a lease. The successor determination program under this bill will be a less costly and friendlier alternative to probate court for native Hawaiian families seeking an interest in a 999-year homestead lease.

Your Committee received testimony in support of the bill from the board of land and natural resources and the office of Hawaiian affairs. Your Committee agrees with the testimony by OHA that the bill will provide an easier and more efficient alternative to probate court.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 828, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 518     Judiciary on S.B. No. 870**

The purpose of this bill is to resolve uncertainties relating to certain statutory provisions that are subject to automatic repeal by operation of law.

In particular, effective June 21, 1993, Act 316, Session Laws of Hawaii 1993, enacted a new section relating to the expedited sentencing program, codified as section 706-606.3, Hawaii Revised Statutes (HRS); amended section 706-621, HRS, relating to factors to be considered in imposing a term of probation; and amended section 706-623, HRS, relating to terms of probation. See Act 316, Session Laws of Hawaii 1993, sections 1 to 3. Section 6 of Act 316 provided that the Act was to be repealed on June 30, 1995. Section 706-623(1) was subsequently amended by Act 229, Session Laws of Hawaii 1994, section 2, but without a drop dead date. Neither the 1993 nor the 1994 Acts contained a reenactment provision.

While the intent of Act 316, Session Laws of Hawaii 1993, apparently was to repeal only the amendments to sections 706-621 and 706-623 on June 30, 1995, your Committee finds that the absence of language reenacting those HRS sections raises uncertainty as to whether only the amendments made to those HRS sections are to be repealed or the underlying HRS sections themselves are to "drop dead" in their entirety. In addition, without further amendment, the intervening amendment to section 706-623 will be repealed on June 30, 1995.

Your Committee finds that this bill amends the effective date section of Act 316, Session Laws of Hawaii 1993, section 6, to make the drop dead provision apply only to the expedited sentencing program (section 706-606.3, HRS), but not to sections 706-621 and 706-623, HRS. This bill also ensures that after June 29, 1995, sections 706-621 and 706-623, HRS, will revert to the form in which they read in 1993, but that the intervening amendment made to section 706-623 in 1994 will continue in effect after that date.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 519     Judiciary on S.B. No. 871**

The purpose of this bill is to resolve uncertainties relating to a statutory provision that is subject to automatic repeal by operation of law.

In particular, effective June 21, 1994, section 709-906(4) (abuse of family and household members), Hawaii Revised Statutes (HRS), was amended by Act 182, Session Laws of Hawaii 1994, section 1. Section 3 of Act 182 provided that this subsection is to be repealed on June 30, 1995.

While the apparent intention of the legislature was to repeal only the amendments to section 709-906(4), HRS, on June 30, 1995, your Committee finds that the absence of language reenacting the HRS subsection that is to "drop dead" leads to uncertainty as to whether only the amendments made to that subsection are to be repealed or the underlying subsection itself is to be repealed in its entirety. Your Committee finds that this bill resolves this uncertainty by amending the effective date section of Act 182, Session Laws of Hawaii 1994, to expressly provide for the reenactment of the HRS subsection amended by Act 182 upon the repeal of that Act.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 871 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 520     Judiciary on S.B. No. 872**

The purpose of this bill is to resolve uncertainties relating to a statutory provision that is subject to automatic repeal by operation of law.

In particular, section 40-68 (nonpresentment of warrants), Hawaii Revised Statutes (HRS), as amended by section 1 of Act 221, Session Laws of Hawaii 1994, is repealed by section 4 of that Act on July 1, 1996 and reenacted in the form in which it read "prior to this Act". This language may mean: (1) the day before the effective date of section 1 of the Act (amending section 40-68)--June 29, 1994; or (2) the day before the effective date of the Act--June 30, 1994.

While the apparent intent of Act 221 was to make the amendments to section 40-68 temporary, your Committee finds that if the reenactment date in section 4 of Act 221 is construed to mean June 30, 1994, the result is that the amendments to section 40-68 will be permanent, since the amendments to 40-68 made by Act 221 take effect on June 30, 1994. If, on

the other hand, the reenactment date is construed to mean the day before the effective date of section 1 of the Act, or June 29, 1994, the amendments to section 40-68 will be repealed on July 1, 1996, and that section will be reenacted in the form in which it read on the day before the amendments to section 40-68 took effect. Your Committee finds that this bill resolves this uncertainty by amending section 4 of Act 221 to specify that section 40-68, HRS, will be reenacted in the form in which it read on the day before the effective date of section 1 of the Act, or June 29, 1994.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 872 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 521      Judiciary on S.B. No. 873**

The purpose of this bill is to resolve uncertainties relating to a statutory provision that is subject to automatic repeal by operation of law.

In particular, effective July 1, 1992, section 42D-1 (grants, subsidies, and purchases of service; definitions), Hawaii Revised Statutes (HRS), was amended by Act 194, Session Laws of Hawaii 1992, section 3. Section 20 of Act 194 provided that section 42D-1 is to be repealed on July 1, 1996 and reenacted in the form in which it read on the day before the approval of that Act, June 11, 1992. Section 42D-1, however, was further amended by Act 8, Special Session Laws of Hawaii 1993, section 54, which amended the definition of "purchase of service" in section 42D-1 to replace the obsolete reference to chapter 103 with the new reference to chapter 103D (procurement code).

Your Committee finds that because the "drop dead" date contained in the 1992 Act provided that section 42D-1 is to be repealed on July 1, 1996, and reenacted in the form in which it read in 1992, the 1993 amendment to section 42D-1 will also drop dead on July 1, 1996. However, your Committee finds that the legislature intended that the technical change made by the 1993 amendment -- replacing an obsolete cross-reference -- be permanent. Your Committee finds that this bill will ensure that on July 1, 1996, section 42D-1 will appear in the form in which it read on June 11, 1992, but will retain the reference to chapter 103D that was added in 1993.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 873 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 522      Judiciary on S.B. No. 874**

The purpose of this bill is to resolve uncertainties relating to a statutory provision that is subject to automatic repeal by operation of law.

In particular, Act 280, Session Laws of Hawaii 1993, amended section 431:2-307 (insurance examiners revolving fund), Hawaii Revised Statutes (HRS), by repealing that fund and substituting in its place language providing that moneys necessary for reimbursement and compensation of examiners is to be allocated by the legislature through appropriations out of the general fund. See Act 280, Session Laws of Hawaii 1993, section 25.

Act 190, Session Laws of Hawaii 1994, amended Act 280 by deleting the amendments made to section 431:2-307, Hawaii Revised Statutes, by Act 280. See Act 190, Session Laws of Hawaii 1994, section 7. Your Committee finds that the intent of Act 190 was to restore the insurance examiners revolving fund as it existed prior to its amendment by Act 280. However, the effective date section of Act 190 unintentionally had the opposite effect -- it again provided for the repeal of the fund. See Act 190, Session Laws of Hawaii 1994, section 10.

Your Committee finds that this bill amends Act 190, Session Laws of Hawaii 1994, to ensure the continuation of the fund. Your Committee further finds that the amendments made to the fund by Act 321, Session Laws of Hawaii 1993, section 8, are unaffected and continue in effect. The bill also specifies that on June 30, 1996, section 1 of Act 190, containing the new part to chapter 431, article 3, HRS, entitled "risk-based capital for life and health insurers" will be repealed, and the amendments made to sections 431:3-302 (annual and quarterly filings), 431:5-307 (standard valuation law; life), 431:19-107 (financial statements and other reports), and 431:19-115 (laws applicable), HRS, by Act 190 will be repealed and reenacted in the form in which they read on June 28, 1994.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 874 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 523     Judiciary on S.B. No. 875**

The purpose of this bill is to resolve uncertainties relating to certain statutory provisions that are subject to automatic repeal by operation of law.

In particular, on June 30, 1994, sections 37-34, 35, 36, 37, and 74, HRS (relating to the budget), were repealed and reenacted in the form in which they read on June 30, 1986. See Act 320, Session Laws of Hawaii 1986, section 8, as amended by Act 283, Session Laws of Hawaii 1987, section 68, and Act 370, Session Laws of Hawaii 1989, section 2. Your Committee finds that Act 281, Session Laws of Hawaii 1994, section 4, purported to delete that repeal and reenactment, but that deletion came too late -- Act 281, Session Laws of Hawaii 1994 became effective on July 6, 1994, but sections 37-34, 35, 36, 37, and 74, HRS, had already been automatically repealed and reenacted by operation of law on June 30, 1994. In addition, Act 281 made amendments to sections 37-34, 35, 36, 37, and 74, HRS, that incorporated all of the intervening amendments made to those sections between 1986 and 1994, and which also became effective on July 6, 1994. See Act 281, Session Laws of Hawaii 1994, sections 5, 6, 7, 8, 9, and 12.

Your Committee finds that the intent of Act 281, Session Laws of Hawaii 1994, section 4, was to delete the repeal and reenactment language affecting sections 37-34, 35, 36, 37, and 74, HRS, but the deletion of that language was not made in a timely manner. Your Committee finds that this bill amends Act 281 to make that deletion retroactive to June 29, 1994, the day before the original repeal date of 37-34, 35, 36, 37, and 74, HRS.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise. Your Committee further notes that, because of the clear legislative intent expressed in Act 281, the amendment to Act 281, Session Laws of Hawaii 1994, section 12 made by this bill is also contained in the 1995 statutory revision bill. See section 21 of S.B. No. 1221.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 875 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 524     Judiciary on S.B. No. 876**

The purpose of this bill is to resolve uncertainties relating to certain statutory provisions that are subject to automatic repeal by operation of law.

In particular, sections 286-81, 291-11, and 291-24 (motor vehicles), Hawaii Revised Statutes (HRS), were amended by Act 120, Session Laws of Hawaii 1994, sections 2, 3, and 4, effective upon the publication by the director of transportation of a notice of regulatory compliance with federal standards, regulations, and exemptions for solar electric motor vehicles in a newspaper of general circulation printed and published in the State. See Act 120, Session Laws of Hawaii 1994, sections 5 and 7. Section 7 of Act 120 further provided that if the required notice is not published by June 30, 1995, that Act is repealed.

While the intention of the legislature was apparently to conditionally repeal only the amendments to these HRS sections if the notice is not published by June 30, 1995, your Committee finds that the absence of language reenacting the HRS sections that are to "drop dead" leads to uncertainty as to whether only the amendments made to those HRS sections are to be repealed or the HRS sections themselves are to drop dead in their entirety. Your Committee finds that this bill resolves this uncertainty by amending the effective date section of Act 120, Session Laws of Hawaii 1994, to expressly provide for the reenactment of the underlying HRS sections amended by Act 120 upon the repeal of that Act.

Your Committee notes that this bill contains a section providing that the bill is to be amended to conform to all other acts passed by the legislature during this regular session, whether enacted before or after the effective date of this bill, unless the other acts specifically provide otherwise.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 525     Judiciary on S.B. No. 951**

The purpose of the bill is to reduce the maximum term of imprisonment for a second offense of driving under the influence of intoxicating liquor (DUI) from sixty to thirty days to comply with the Hawaii Supreme Court's guidance in State v. Lindsey.

Your Committee finds that a person convicted of a second DUI offense, within five years of the first offense, rarely receives a sentence of even thirty days, much less sixty. Indeed, most defendants are required to perform community service in lieu of any jail time imposed. However, because the maximum imprisonment for second DUI offenses is sixty days, such persons have the right to a jury trial. Cases involving jury trials are costly; they have added significantly to the congestion existing in Hawaii's first circuit court; and yet the sentences resulting from convictions with jury trials are well below the maximum penalty proposed in the bill.

Your Committee is aware that no constitutional right to a jury trial attaches to an offense having a maximum term of imprisonment not in excess of thirty days. This right was clarified as a result of the Hawaii Supreme Court's recent decision in State v. Lindsey. Your Committee believes that under the amendment contemplated in this bill, a convicted person will receive sentences comparable, if not longer, than those received under current law.

Your Committee received testimony in opposition to the bill from the Honolulu Police Department. HPD testified that reducing the maximum sentence for a second DUI conviction was sending the wrong signal that DUI offenses were "petty" and therefore not serious.

Your Committee finds it important to distinguish that offenses with a maximum imprisonment of thirty days are considered "petty" in the constitutional sense, but that these offenses are serious and a danger to the public. Your Committee is well aware that the result of drunk driving is often devastating to innocent victims and their families.

Furthermore, your Committee recognizes that persons who are convicted for a second offense of driving under the influence of intoxicating liquor have the potential for imposing serious consequences on the unsuspecting public. Your Committee believes that for DUI offenses, a judge, rather than a jury, is the more appropriate party to decide the facts in each case. Moreover, your Committee finds that reducing that maximum sentence for a second DUI offense will result in more timely, cost-effective judicial administration, which is clearly in the public interest.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 526     Judiciary on S.B. No. 1156**

The purpose of the bill, as received by your Committee, is to establish a commission to design a new methodology for the election of the members of the board of education.

Your Committee finds that the current system for electing board of education members can be improved by establishing a commission to review and make recommendations on the appropriate size of the board, whether single districts or similar electoral districts should be used, the type of compensation appropriate for board members, and whether the appointed student member should be given a vote. Your Committee believes that this bill may resolve complications existing in the current system.

Your Committee amended the bill to require the senate president and speaker of the house to each submit the names of seven nominees to the governor, a total of seven of whom will be appointed by the governor to serve on the commission. The amendment will allow the governor to choose from a larger pool of nominees, rather than being limited to those nominated by the leader of each house.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1156, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (McCartney, Anderson).

#### **SCRep. 527     Judiciary on S.B. No. 1254**

The purposes of the bill, as received by your Committee, are to allow a person physically unable to sign or make a mark to orally direct a notary to sign on his or her behalf; to require that a notary's recordbook contain a description of a signer's identification; to raise the notary fee from \$4 to \$5; and to define what constitutes reliable identification.

Testimony in support of the bill was submitted by a representative of the National Notary Association.

Your Committee finds that the provisions contained in the bill will prevent refusal of service by notaries to the detriment of the public and reduce lawsuits.

Your Committee amended the bill to require that a person, who is physically unable to sign or to make a mark on a document presented for notarization, provide a certificate of disability to the notary from the person's physician certifying that the person is unable to sign his or her name or to make a mark.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1254, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 528     Judiciary on S.B. No. 1283**

The purpose of the bill is to establish an adjudicatory process by which the ethics commission can determine whether a candidate for state office has filed a complete financial disclosure statement as required by law.

Your Committee finds that, currently, a candidate for state elective office can file an incomplete disclosure statement with the commission without penalty. The bill will enable the commission to investigate, initiate, or receive charges as to whether a candidate disclosed all financial interests required. In addition, the commission will be able to issue a decision regarding the charges, which will be a matter of public record.

Your Committee received testimony in support of the bill from the State ethics commission. Your Committee finds that the bill will encourage the prompt and accurate filing of financial disclosure statements and will ensure that the public receives such information in the manner intended by the legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1283 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 529     Judiciary on S.B. No. 1557**

The purpose of the bill, as received by your Committee, is to amend the drivers' licensing laws to eliminate or extend certain requirements in order to improve the driver licensing services provided to the public. Based upon accident statistical data, the frequency of renewal testing does not change driving habits and thereby lower accident rates.

Specifically, the bill increases the licensing period from four to six years for persons between the ages of twenty and sixty-five years, and increases the licensing period from two to four years for anyone who is fifteen years of age through nineteen.

The bill further eliminates the requirement that applicants for a license renewal pass the rules of the road knowledge test, permits the waiver of an actual demonstration of ability to operate a motor vehicle for those eighteen or older who have failed to renew a previously valid license within ninety days after expiration, permits the waiver of an actual demonstration of ability to operate a motorcycle for persons who successfully complete an approved motorcycle education course and eliminates the payment of outstanding traffic fines as a condition precedent to the renewal of a driver's license.

Testimony in support of the bill was submitted by the Honolulu department of finance.

Upon further consideration, your Committee has amended the bill to increase the licensing period for the only age bracket that was left unchanged in this bill, which is the renewal period for persons between the ages of sixty-five and seventy years from two to four years. As testified to by the department of finance, thirty-eight states use age 70 as the threshold for more frequent testing of driving ability.

Your Committee is also concerned with the provision of the bill which eliminates the payment of outstanding traffic fines as a condition precedent to the renewal of a driver's license. Your Committee believes that the intent of the decriminalization of traffic offenses would be usurped if this were allowed to occur, and therefore, has further amended the bill to reinsert such language which precludes the issuance or renewal if the individual has outstanding traffic fines.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1557, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 530     Judiciary on S.B. No. 1560**

The purpose of the bill is to require the Liquor Commission to notify by mail the owners and lessees situated within five hundred feet of the premises of a public hearing regarding the transfer of a liquor license. Currently, notice of hearing on a transfer of a liquor license is made in the legal section of the daily newspapers, and objections can only be raised at the time the original application is being heard.

Your Committee received testimony from the Honolulu liquor commission, the liquor administrators of the counties of Hawaii, Maui, and Kauai, and the downtown neighborhood board.

Your Committee finds that the bill will provide neighborhoods with better, more reliable notices of hearings involving a possible change in the character of a neighborhood when a liquor license is being transferred.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1560, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

**SCRep. 531      Judiciary on S.B. No. 1563**

The purpose of the bill is to increase the dollar threshold which will trigger the filing of an accident report following a motor vehicle accident.

Presently, a report must be filed when apparent property damage from a motor vehicle accident exceeds \$1,000. Failure to file the report subjects an individual to a fine of up to \$1,000 and imprisonment of not more than one year. This measure would raise the property damage amount to \$2,000.

Testimony was received by your Committee from the Honolulu department of finance, the Honolulu police department, and State Farm Insurance Company.

Since 1974, the average number of motor vehicle collisions have remained about the same, whether the threshold amount was \$1,000 as it was in 1990, or \$300, as it was in 1985. As the cost of automobile repairs rises due to inflation, the increase in the threshold amount represents HPD's attempt to keep the number of financial responsibility collisions the same each year. It costs the HPD \$84 to investigate and process each major collision, for a total of \$1.73 million in 1994. The Honolulu police department recommended that the threshold amount be set at \$3,000. HPD contends that taxpayers should not be subsidizing insurance companies and police officers should not serve as claims adjusters.

Your Committee accepts the compromise figure provided by your Committee on Transportation and Governmental Affairs and supports increasing the threshold to \$2,000.

Your Committee finds that raising the threshold amount to \$2,000 is in keeping with the original intent of the law to provide a standard at which mandatory accident report filing should take place.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1563, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 532      Judiciary on S.B. No. 1568**

The purpose of the bill is to amend the bulk sales law so that it applies not just to sales but to transfers as well.

Testimony in strong support of the bill was received from the department of taxation.

Under present law, a seller or buyer is required to provide a written verified report to the department of taxation (department) when any sale in bulk of merchandise, fixtures, or other assets of a business occurs. The department reviews and determines whether there are any delinquent taxes and notifies the seller before a bulk sales certificate is issued. If a seller insists upon the issuance of a bulk sales certificate before paying any of the delinquent taxes, the department will record a lien on the outstanding taxes, and then issue a bulk sales certificate.

Your Committee recognizes that under current law, sellers are allowed to complete a transaction or transfer assets and receive a bulk sales certificate, even though delinquent taxes are owed to the State. The bill provides that the department shall not issue a bulk sales certificate if a tax return of the seller is being examined by the department. The bill further provides that the statute of limitations will not apply to the assessment and collection of any bulk sale liability and expands the definition of property to include intangible property.

Upon further consideration, your Committee has amended the bill to correct what appears to be a technical error that refers to a new section in chapter 231 but does not provide amendatory language. Your Committee also amended the bill to restore the misdemeanor penalties for violations of this section, when the seller willfully fails to make a report. Your Committee finds that the penalty will provide a meaningful deterrent for the wilful nonfiler.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1568, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, McCartney).

**SCRep. 533      Judiciary on S.B. No. 1593**

The purpose of the bill is to add several substances to the list of controlled substances under chapter 329, Hawaii Revised Statutes. Cathinone is a stimulant. Levo-alphaacetylmethadol is an opiate. Zolpidem is a depressant. Butorphanol is a depressant and an addictive synthetic opiate. Dihydrotestosterone and methandienone are anabolic steroids.

Your Committee recognizes that HRS section 329-11(e) requires that when any substance is added, deleted or rescheduled as a controlled substance under federal law, a corresponding change must be made under state law.

Your Committee received testimony in support of the bill from the department of public safety and the Honolulu police department, which emphasized the potentially harmful effects of the updated substances and the potential for abuse.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1593 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Matsunaga, Matsuura, Tam).

**SCRep. 534     Judiciary on S.B. No. 1597**

The purpose of the bill is to return law enforcement functions and responsibilities for airports and airport parking facilities to the jurisdiction of the department of transportation (DOT) from the public safety department (PSD).

Effective July 1, 1991, security functions at the airport were transferred from DOT to PSD. Federal law, however, requires the operators of airports to provide security in accordance with 14 C.F.R. Part 107, thereby necessitating DOT's supervision over these personnel.

Your Committee received testimony in support of the bill from both the department of transportation and the public safety department.

Upon further consideration your Committee amended the bill to change the effective date of the measure to July 1, 1995. Your Committee believes that the amendment will provide a smoother transition of the security functions and responsibilities between the two departments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1597, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1597, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 535     Judiciary on S.B. No. 1599**

The purpose of the bill, as received by your Committee, is to conform Hawaii's commercial driver's licensing law with federal standards, and to ensure that the State does not lose a significant amount of federal highways funds. In particular the bill:

- (1) Provides that a person who is not physically qualified to drive under 49 Code of Federal Regulations may be granted an intrastate waiver as provided by the Code;
- (2) Eliminates the limitation on the renewal of commercial drivers' instruction permits;
- (3) Eliminates the expiration of license on the second birthday of the licensee following the issuance of the license if the licensee is 21 to 24 years of age;
- (4) Amends the disqualification provision for licensees convicted of certain enumerated violations; and
- (5) Amends provisions relating to the suspension, revocation, or cancellation of licenses and permits.

Upon further consideration, your Committee amended the bill by deleting the clause that provides an exception to a driver acting on a governmental order, as the wording could cause confusion regarding the State's compliance with federal regulations.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1599, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1599, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 536     Judiciary on S.B. No. 1642**

The purpose of the bill is to establish a criminal penalties for a person operating a recreational vessel in state waters while under the influence of intoxicating liquor.

Your Committee recognizes that Hawaii is one of only eight states which does not have legislation to specifically address the issue of boating under the influence of alcohol. Both the National Transportation Safety Board (NTSB) and the U.S. Coast Guard have urged the State to enact legislation on this issue.

Your Committee received testimony in support of the bill from the department of land and natural resources (DLNR), the department of public safety, the U.S. Coast Guard, and the Hawaii Medical Association.

As testified to by the DLNR, the costs for equipment and training required to implement the provisions of this bill can be funded through the federal boating safety funds received by the State. Your Committee is also aware that additional funding from the federal government may be available to those states who have passed legislation with regard to boating under the influence.

Your Committee is aware that there have been several serious cases of boating under the influence in our State and without this measure, neither the U.S. Coast Guard nor the department of public safety will be able to properly police our State's navigable waters. Your Committee believes that this bill, in the interest of public safety, is long overdue.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1642, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 537     Judiciary on S.B. No. 1643**

The purpose of the bill is to establish state authority to permit the incidental taking of threatened and endangered species, establish a habitat conservation planning process mitigating the impact of such taking, and further clarify the enforcement of the section.

The bill will increase compatibility with the existing Federal Endangered Species Act, encourage regional habitat conservation planning, remove disincentives for responsible reforestation and long-term stewardship of native forests, and generate potential new funding mechanisms for protection of Hawaii's endangered species.

Currently, the State law provides for taking of threatened or endangered species only if for scientific purposes or to enhance the propagation or survival of the affected species. However, there are situations where the interests of threatened or endangered species and habitat conservation can be advanced by permitting the limited taking of a few individuals in exchange for implementing conservation projects that benefit the species as a whole.

Testimony in support of the bill was submitted by the department of land and natural resources, Bishop estate, and Land Use Research Foundation of Hawaii.

Your Committee is aware that the original bill was a compromise and the result of a working group consisting of individuals from the State, Federal, private sector, and conservation groups. The "citizen suit" provisions in the bill have since been expanded. The expansion of the "citizen suit" provisions have caused many in the private sector who previously supported the bill to no longer do so. Your Committee has therefore amended the bill by restoring the provisions regarding "citizen suits" to the original version.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1643, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1643, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 538     Judiciary on S.B. No. 1753**

The purpose of the bill is to clarify the role of the Regulated Industries Complaints Office (RICO) with regard to client referral between attorneys and health care providers.

Testimony in support of the bill was submitted by the department of commerce and consumer affairs (DCCA).

Your Committee finds that under present law, RICO has the responsibility of investigating and disciplining an attorney who illegally refers a client to a health care provider. Your Committee is aware that RICO's jurisdiction is limited to those vocations and professions which are licensed through the DCCA, which does not include attorneys. The office of disciplinary counsel has jurisdiction over attorneys.

Your Committee believes that the bill will clarify the existing law by definitively stating that reports of alleged violations by attorneys will be reported to the office of disciplinary counsel for possible investigation and/or prosecution. RICO will continue to have investigative and prosecutorial jurisdiction over health care providers.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1753 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 539     Judiciary on S.B. No. 1766**

The purpose of this bill is to clarify that community correctional centers are to provide residential detention for persons who have already been arraigned or who have made an initial court appearance.

Your Committee finds that before the creation of community correctional centers, arrested persons were held in the county jail until trial. In 1973, county jails were replaced by state-operated intake service and community correctional centers in each county, which were to provide residential detention to persons awaiting judicial disposition who have not been conditionally released. Your Committee finds that these 1973 amendments were not intended to make all prisoners a state responsibility, but rather to implement the Hawaii correctional master plan, which requires that arrestees who are unable to post bail are to be held at the police department until the date of arraignment.

Your Committee notes that on the Big Island, the Hawaii community correctional center (HCCC) had originally provided detention to persons arrested but not yet arraigned due to the fact that the local police did not have acceptable detention facilities. However, although new police headquarters with a cellblock have since been constructed, the cells have not been used to house arrestees because the county maintains that it lacks sufficient resources to do so. Due to severe overcrowding at the HCCC, the warden was compelled to stop accepting prearrestment detainees earlier this year. The county filed suit, claiming that the State, rather than the county, had the statutory responsibility to house these detainees. The county obtained summary judgement in its favor, and the case is now pending before the Hawaii Supreme Court.

Your Committee finds that, notwithstanding the lower court's ruling in favor of Hawaii county, this bill is consistent with the Hawaii correctional master plan and is necessary to remove confusion in the law regarding the State's responsibilities with respect to the housing of prearrestment detainees. The bill clarifies the language of existing law and specifies the clear legislative intent that the counties, rather than the State, are responsible for providing residential detention facilities for prearrestment detainees.

Your Committee further finds that this bill is necessary as a matter of fairness and equity to the counties that currently provide residential detention for prearrestment detainees. Your Committee finds that in the city and county of Honolulu, a person who is arrested and does not post bail at the police station will be held at the Honolulu police department cellblocks until brought to court to be arraigned, usually within forty-eight hours. Maui county has also provided residential detention facilities for prearrestment detainees. Your Committee believes that it is unfair for the other counties to expect the State to house their prearrestment detainees in state facilities.

Finally, your Committee finds that this bill will help to alleviate the severe overcrowding in state correctional facilities. Hawaii's correctional system is currently in a state of crisis, and the situation is expected to worsen as the inmate population continues to grow each year. Overcrowding seriously limits the department of public safety's ability to protect the public and leaves the State vulnerable to lawsuits based on unconstitutional conditions. If the State is held responsible for providing housing for each of the counties' prearrestment detainees, the prison overpopulation crisis will escalate significantly. Your Committee finds that this bill, while not a solution to this crisis, will ease some of the overcrowding in the State's correctional facilities by clarifying that the responsibility for the housing of prearrestment detainees rests with the counties in accordance with both legislative intent and the correctional master plan.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1766 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Tam).

#### **SCRep. 540     Judiciary on S.B. No. 1819**

The purpose of the bill is to provide a legal process to ensure prompt eviction of persons engaged in specific drug-related criminal activity on or near leased residential premises or who permit others to engage in such criminal activity. The bill also authorizes courts to order persons other than tenants who engage in certain drug-related criminal activity to stay away from the location where the criminal activity occurred.

Your Committee finds that drug distributors in Hawaii endanger the health and safety of others who reside in their premises. Property owners and landlords should be encouraged to protect their tenants by ensuring that drug activities will not take place on their property. The bill enables tenant organizations, prosecuting attorneys and others to promptly evict drug distributors from neighborhood properties.

Your Committee amended the bill by deleting the clause that allows accredited treatment programs to apply to the department of health for compensation for treatment services, because the bill does not provide for such funding. In addition, an amendment was made to require that, in order for a plaintiff to recover court costs, the landlord or owner involved must have wilfully refused to bring the action. Finally, the period within which a hearing can be held was extended to fifteen days after the service of a complaint.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1819, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1819, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, McCartney).

#### **SCRep. 541     Judiciary on S.B. No. 1929**

Chapter 489, Hawaii Revised Statutes, prohibits unfair discriminatory practices which deny, or attempt to deny, a person the full and equal enjoyment of goods, services, facilities, privileges, advantages and accommodations in a place of public accommodation on the basis of race, color, sex, religion, ancestry or disability. Marital status is already a protected basis in our housing and employment discrimination laws, but not in public accommodations. This bill would extend the protection given in the housing and employment discrimination area to public accommodations.

The Hawaii civil rights commission testified in support of the bill and indicated that since the commission was established, it has been unable to accept complaints from single women who have allegedly been denied the goods or services in a place of public accommodations. Although the number of possible new complaints is not expected to be large, your Committee believes that the unfairness of excluding discriminatory practices against single individuals in public accommodations should be addressed.

A private citizen provided testimony in support of this bill indicating that she had been discriminated against in her attempts to lease commercial property solely because of her status as a single person. Your Committee therefore finds that the protection afforded single women and single men in the employment and housing discrimination areas should be extended to public accommodations as well.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1929 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

**SCRep. 542 Agriculture, Labor, and Employment on S.B. No. 107**

The purpose of this bill is to prohibit public employers from permanently replacing employees who participate in strikes.

Your Committee finds that the right to strike is a basic freedom that working men and women should enjoy in a democratic society. Without the full freedom to exercise the right to strike, workers are unable to achieve economic and social justice through the process of collective bargaining.

Your Committee also finds that although constitutional protection exists with regard to the process of collective bargaining in Hawaii, this protection has been eroded by developments elsewhere in the United States. A recent study conducted by the AFL-CIO indicates that eleven percent of more than 240,000 American workers participating in major strikes and lockouts in 1990 were replaced by their employers.

Your Committee believes that the amendments contained in this bill clarify existing statutes to assure workers that their right to strike is fully protected and lawful participation in a strike will not jeopardize their employment standing.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 107 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 543 Communications and Public Utilities on S.B. No. 531**

The purpose of this bill is to promote regulatory efficiency by limiting public utilities from requesting rate increases more frequently than once every two calendar years, except upon a written finding by the public utilities commission that good cause exists to permit earlier requests.

Your Committee notes that a number of concerns were raised by persons testifying on this bill that regulatory backlog may actually increase as a result of the proposed legislation. For example, it was suggested that public utilities may decide to file for rate increases just in order to meet the two-year window requirement. Concerns were also raised that the proposed two-year restriction would be an unfair burden on utilities attempting to operate in an increasingly competitive marketplace.

After due consideration, your Committee has amended this bill in order to address these efficiency and fairness concerns, first, by deleting the proposed two-year limitation on rate increase requests, and by providing instead that the public utilities commission shall conduct, at intervals of at least every four years, a preliminary review of each public utility that is not subject to section 269-16(g), Hawaii Revised Statutes (i.e., each public utility that has annual revenues greater than \$2,000,000), and that has not filed an application for a rate increase in the intervening period, to determine whether to institute a rate review proceeding to examine whether rates, fares, charges, classifications, schedules, rules, and practices are just and reasonable. Your Committee also has amended this bill by requiring the commission to stagger the schedules of each rate review proceeding that it opens as a result of the preliminary review.

Your Committee has further amended this bill by adding provisions which:

- (1) Require the public utilities commission to inform the public of procedures to file claims for damages incurred as a result of utility outages;
- (2) Require public utilities proposing rate increases to notify consumers in a clear and coherent written manner of the proposed change in rates and of the time and place of the public hearing not less than thirty days (instead of one week under current law) before the scheduled hearing; and
- (3) Allow the public utilities commission, upon a showing of good cause, to render a final decision on a public utility's rate application after the normal nine month review period.

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

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 531, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 544 Planning, Land and Water Use Management on S.B. No. 593**

The purpose of this bill is to extend the repeal date of Act 237, Session Laws of Hawaii 1988, from July 1, 1995, to July 1, 1996.

Act 237 authorized the Department of Land and Natural Resources to negotiate long-term leases with certain permittees of agricultural lands who have occupied such state lands for long periods of time. Their tenure is month-to-month, making it difficult for them to obtain financing to improve their farm.

Based on testimony received from the Department of Land and Natural Resources, the department intended to comply with the July 1, 1995 deadline, but the current freeze in hiring consultants has prevented them from conducting the appraisals necessary to determine the lease rent. In addition, because there exists an uncertainty as to when the freeze will be lifted, it is questionable whether the department will be able to comply with even the July 1, 1996 deadline.

Your Committee finds that there is a definite need to ensure that the revocable permittees affected by Act 237, Session Laws of Hawaii 1988, be allowed to receive leases since the renegotiation of these permits to leases has suffered from delays since 1988. In order to bring to a closure the renegotiation, execution, and issuance of these leases, your Committee finds that there is a need to expedite the renegotiation process.

Your Committee has amended this bill to provide that if the necessary appraisals are not completed by December 31, 1995, the annual rental under the leases shall be based on real property assessed valuations of the respective properties as of December 31, 1995, at an annual rate of return of three per cent.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 593, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 593, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 545 Transportation and Government Affairs on S.B. No. 567**

The purpose of this bill is to make state traffic laws applicable to private roads in certain instances.

Favorable testimony was received from the Honolulu Police Department indicating that of the 1,477 private roads in Oahu, about thirty percent are used as public thoroughfares. Although the Police Department receives numerous complaints of traffic infractions on such roads, police action is constrained because of the jurisdictional issue. This bill would remedy the jurisdictional issue by extending the applicability of the traffic code to such private roads.

Your Committee has amended the bill replacing its contents with recommended language provided by the County of Hawaii Corporation Counsel to make the bill clearer and more comprehensive in its effect.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Tanaka).

**SCRep. 546 Transportation and Government Affairs on S.B. No. 1155**

The purpose of this bill is to amend the business development corporations law by amending the definition of "Pacific Islands" to delete the obsolete reference to the "Trust Territories of the Pacific" and to add other Pacific Island nations.

Your Committee is informed that the bill not only updates the law to reflect current geopolitical realities, but would assist in improving investment opportunities in the Pacific.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 547 Transportation and Government Affairs on S.B. No. 1320**

The purpose of this bill is to prohibit the use of herbicides in public roadside maintenance and to instead require nonchemical methods and integrated vegetation management programs for roadside maintenance.

Your Committee is informed that the use of herbicides in roadside maintenance may be harmful to human health and may endanger the environment. Banning the use of herbicides will reduce these risks. Roadsides and roadways have

been successfully maintained by nonchemical methods and by integrated vegetation management programs at least on a test basis.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1320, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 548 Transportation and Government Affairs on S.B. No. 1200**

The purpose of this bill is to amend the definition of "thrill craft" in section 200-23, Hawaii Revised Statutes, by deleting reference to the length of the thrill craft as being less than thirteen feet long, and by deleting reference to the thrill craft as being at most a two person craft. Your Committee notes the bill does not reflect the current definition of "thrill craft" which is set forth in the 1992 Supplement to the Hawaii Revised Statutes.

Concern was raised by the Board of Land and Natural Resources that removal of vessel length from the definition of "thrill craft" would render the definition so broad as to cover 40 per cent of all registered boats in Hawaii. Nonetheless, your Committee was concerned by reports that craft were being built slightly longer than thirteen feet to evade the restrictions on thrill craft and that such craft were being used in areas off-limits to thrill craft with consequent danger to the public.

Your Committee amended the bill to:

- (1) Reflect the current definition of "thrill craft" in section 200-23, Hawaii Revised Statutes which already allows one or more passengers including the operator;
- (2) Add a new provision to include in the definition of "thrill craft" designed with a combination of size, power plant, and hull design to provide operating performance similar to personal water craft;
- (3) Provide that only one of the four defining categories (length, speed, passenger capacity, and design) need to be met for a personal watercraft to be considered a thrill craft; and
- (4) Include an amendment to broaden the definition of "commercial high speed boating" by replacing the reference to "open racing boat" with "power boat" to allow the State the flexibility of regulating new model designs in the boat manufacturing industry, and include a conforming amendment to section 200-37(f).

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1200, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Tanaka).

**SCRep. 549 Agriculture, Labor, and Employment on S.B. No. 500**

The purpose of this bill is to eliminate the requirement for petroleum marketers to install new devices which automatically and continuously compensate for volumetric changes in fuels due to temperature fluctuations during non-bulk sales.

Your Committee finds that current regulations require trucks with meters and other commercial sales meters to utilize a device that adjusts the metered volume of fuel for its exact temperature as it is delivered. This bill would eliminate the requirement for such devices for all non-bulk transfers of petroleum products. Non-bulk deliveries are defined in the bill as those which are pumped at a rate of two hundred gallons per minute or less.

Your Committee also finds that since Hawaii's temperatures are among the most predictable, such devices provide only a small level of benefit which does not outweigh their cost.

Your Committee believes that consumers and petroleum retailers receive accurate measurement of petroleum products under the historical protocol, which corrects for temperature twice: once by automatic device when a truck is loaded at a terminal, and again by standard correction at the final sales meter. Your Committee also believes that the bill will save the government money by reducing the need for the Department of Agriculture, Division of Measurement Standards, to acquire and train staff, acquire test equipment, establish test protocols, and certify such devices. Your Committee believes the bill will also save Hawaii consumers and businesses money by not passing through new costs associated with acquiring and installing equipment, maintaining it, calibrating and certifying it, and eventually replacing it.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 500 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 550 Housing on S.B. No. 1384**

The purpose of the bill is to place a time limit of 120 days on the process by which a condominium association can amend its declaration, and to require that the notice to apartment owners must be mailed by the board within 30 days of the board's decision to amend.

Your Committee is cognizant of the fact that condominium self-governance is fraught with problems. Amendments to chapter 514A, Hawaii Revised Statutes (HRS), have brought improvements to condominium governance but have also made the law complex and difficult to understand. Piecemeal amendments in response to specific complaints have created some of these problems.

Senate Bill Nos. 120, 957, 1268, 1384, and 1875 were heard in Committee, each proposing to amend chapter 514A, HRS. However, your Committee has decided to create one omnibus bill, using Senate Bill No. 1384 as the vehicle, and taking into account concerns your Committee wishes to address from the bills heard. It is the Committee's intention to clarify the law and provide relief for the problems that are presently occurring. The use of an omnibus bill containing relevant amendments will focus on interrelated amendments in the same bill; and, hopefully, avoid the piecemeal amendment process driven by separate bills.

Your Committee has amended the bill to:

- (1) Add a new section to chapter 514A, HRS, on administrative or house rules and their adoption;
- (2) Amend section 514A-11, HRS, to extend the time limit for amending declarations from 120 to 180 days; require that a petition requesting amendments be signed by at least 25 per cent of the owners; and require recordation of the adopted amendments;
- (3) Add amendments to section 514A-82, HRS, to require that by-laws include term limits for the board of directors not to exceed two consecutive terms, except that for condominiums which have less than 100 units a 65 percent vote of owners may choose not to impose term limits; and to prohibit a director from voting on any issue if the director has a direct personal or pecuniary interest;
- (4) Add an amendment to section 514A-83.2(c), HRS, to require that proxy forms contain boxes which will specifically indicate the use of the proxy and if the proxy is not marked, it shall be used for quorum purposes only; and
- (5) Add an amendment to section 514A-83.3, HRS, to authorize the board of directors to adopt reasonable rules to regulate the solicitation of proxies as to the time, place, or manner.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1384, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Holt).

#### **SCRep. 551 Housing on S.B. No. 1817**

The purpose of this bill is to amend chapter 521, Hawaii Revised Statutes (HRS), to establish provisions relating to a tenant's remedy for a landlord's failure to honor tenancy before occupancy.

Favorable testimony was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors.

The scenario addressed in the bill arises when a landlord and a prospective tenant reach an agreement to rent a dwelling unit. Before the commencement of the tenancy, however, one of the parties decides not to go through with the bargain. If it is the tenant who reneges, the landlord has a remedy provided in section 521-70(e), HRS. If it is the landlord who reneges, however, there presently is no remedy set forth in Chapter 521, HRS.

Your Committee finds that the enactment of this measure will address the imbalance that currently exists in chapter 521, HRS, by creating a tenant's remedy which is parallel to the existing landlord's remedy and provide the tenant with relief that may otherwise be denied.

Your Committee has taken into consideration the amendments suggested by the Hawaii Association of Realtors, but understands that the costs the landlord would incur would be different from the costs the tenant would incur. In light of this, your Committee has amended the bill by stating that should the landlord renege, the landlord shall be liable to the tenant for one month's rent at the rate agreed upon in the rental agreement.

It is believed that the amendment will provide not only the liability ceiling and certainty, but also relieve the parties of the trouble of going to court to prove damages. It is the Committee's intention to provide a more equitable balance between tenant and landlord rights in the Landlord Tenant Code.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee 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 placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Taniguchi).

**SCRep. 552      Transportation and Government Affairs on S.B. No. 1199**

The purpose of this bill is to provide that capital improvement projects built on state or county property, or funded in whole or in part by state or county funds shall be subject to chapter 104, Hawaii Revised Statutes (HRS).

Chapter 104, HRS, concerns the wages and hours of persons employed in the construction of public works. This bill would extend the requirements under chapter 104, HRS, to all projects on public property or receiving public funds.

Your Committee has amended the bill to make minor nonsubstantive amendments, and to substitute "public works" for "capital improvement".

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1199, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1199, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 553      Judiciary on S.B. No. 89**

The purpose of this bill is to create mechanisms for the early release of inmates to relieve prison overcrowding.

Specifically, the bill provides that when a facility holding misdemeanants and pretrial detainees reaches ninety-five per cent of the capacity limit for a period of thirty consecutive days or exceeds one hundred per cent of the capacity limit for five consecutive days, the director of public safety is authorized to release certain non-felony pretrial detainees and misdemeanants. Should these measures fail to provide adequate relief, the director is then required to prepare a list of felony pretrial detainees. The court is thereupon authorized to hold review hearings to determine the felony pretrial detainees to be released.

While these measures are both important and necessary to relieve prison overcrowding in Hawaii's prisons, your Committee believes that one further step can, and should, be taken. Your Committee strongly believes that, before any inmates are released through any of these prison overcrowding relief measures, aggressive action should be taken by the director of public safety to determine if the specified inmates can be housed in facilities out-of-state rather than to move directly to their release.

Accordingly, your Committee has added a new statutory section as part of section 1 of the bill to require the director of public safety to take this prior step. The out-of-state facility must be willing to accept an inmate for what it would cost the State to house the inmate in Hawaii. If such a facility is available, the director is required to transfer the inmate immediately. Your Committee has also corrected the reference to "section 708-831" to "section 708-830.5" relating to theft, in the first degree in section 353F-B(c)((1)(O) in section 1 of the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 89, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 89, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tam, Anderson).

**SCRep. 554      (Majority) Judiciary on S.B. No. 170**

The purpose of the bill, as received by your Committee, is to require all registered firearms owners to keep their firearms in a securely locked box or in a secure location on any premises under the person's control.

Your Committee believes that unsecured firearms can dramatically increase the risk of violent injury to any household member, whether minor or adult. Studies increasingly confirm that the largest percentage of people who use firearms to conduct violent and abusive behavior do so because firearms are readily available.

Your Committee received testimony in support of the bill from the department of health, the Honolulu police department, the commission on the status of women, the Hawaii Firearms Control Coalition, and several concerned citizens. The Hawaii Rifle Association opposed the bill as an unwarranted restriction on the right of self defense.

The Honolulu police department recommended deletion of the provision which allows the firearm owner to carry the firearm on the person or in such close proximity thereto that the person can retrieve and use it as if it were carried on the person. The Hawaii Rifle Association recommended that the bill apply not just to registered firearms owners but to all firearms owners.

Your Committee recognizes the importance of safely storing or securing firearms. Your Committee agrees that all firearm owners, not just registered firearm owners, should be subject to the requirements of this section. Your Committee has therefore amended the bill by deleting the references to the word "registered". Your Committee has also amended the bill by reinserting the provision to allow a firearm owner to carry a firearm on the person or in such close proximity that the person can readily retrieve it as if it were carried on the person. The words "or other containers" were also deleted as your Committee believes that the requirement to safely store and secure the firearms would be liberalized by this phrase.

Your Committee further amended the bill by extending the absolute liability provisions contained in Act 204, Session Laws of 1994, to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 170, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, 2 (Chumbley, McCartney). Excused, 1 (Anderson).

**SCRep. 555 Judiciary on S.B. No. 338**

The purpose of the bill is to give judges discretion with regard to the penalty provisions for holdover rent.

Testimony was received in support of the bill by the judiciary and legal aid society of Hawaii.

A holdover tenant is the term used for a tenant who continues in possession of a dwelling without a landlord's consent after the date of lease termination. Under current law, the tenant is liable for a sum not to exceed twice the monthly rent.

Your Committee finds that there is a need to clarify the "sum not to exceed" language. Testimony by Judge Sabrina McKenna indicated that this provision has been consistently interpreted by realtor's forms as meaning that holdover tenants are liable for twice the amount of the monthly rent, the focus being on the word "shall". By changing the "shall" to "may" on lines 8-9, page 1 of the bill, your Committee believes that the judges' discretion in this area will be made very clear.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 338 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, McCartney).

**SCRep. 556 Judiciary on S.B. No. 417**

The purpose of the bill, as received by your Committee, is to provide qualifying language to require that the hunting or target shooting currently authorized under section 134-5, HRS, be legally permitted or privately authorized.

Testimony in support of the bill was received from the department of land and natural resources (DLNR), the Maui prosecuting attorney, the Hawaii Rifle Association and several interested individuals.

Your Committee believes that the intent of the bill is to promote private landowner safety and preserve private property rights by eliminating the protection granted to hunters poaching on private land or trespassing.

Your Committee has amended the bill by deleting the language "legally permitted" and providing that the hunting or target shooting be privately authorized. The "legally permitted" requirement is already covered by chapter 183D, HRS, which requires that a hunting license be procured. Your Committee is aware that no hunting license is required for persons engaged in target shooting.

Your Committee has further amended the bill by substituting language suggested by the DLNR requiring that any hunting or target shooting occurring on privately owned land require the prior consent of the property owners.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 417, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 557 Judiciary on S.B. No. 945**

The purpose of the bill, as received by your Committee, is to establish two types of offenses for prostitution.

Your Committee finds that the level of street solicitation of prostitution has become intolerable in Waikiki. Visitors and residents alike are constantly being accosted for purposes of solicitation. Your Committee is aware that these street solicitors are frequently non-residents who are drawn to Hawaii because of the large number of tourists in our state on any given day.

Your Committee believes that these prostitutes would not practice their trade on the streets if they were convinced that the costs to themselves, in terms of confinement, were too high. Strict penalties for street soliciting will serve as deterrents to these prostitutes, hopefully discouraging many of them from taking their regular sojourns to Hawaii.

Your Committee amended the bill by re-defining prostitution in the first degree to encompass only sexual acts or offers in public places, and made such prostitution a misdemeanor with a mandatory minimum term of six months imprisonment. Stiff penalties for public "offers" and "acts" were created with the intent to specifically deter solicitous streetwalking. The six-month mandatory term of imprisonment is for the purpose of establishing prostitution as a "constitutionally" petty offense and meeting the Hawaii Supreme Court's guidance in State v. Lindsey.

The bill was also amended by deleting references to sexual devices for prostitution in the second degree, as such references did not fall within the specific intent of the bill. An additional section, denying bail for prostitution in the first degree, was also included.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 945, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 558      Judiciary on S.B. No. 1267**

The purpose of the bill is to define to whom a public accountant owes a duty for his professional services.

The bill establishes that a public accountant owes a duty to the issuer or requestor of the public accountant's work product and to any other person specifically identified to the public accountant, to whom the public accountant knows the work product will be made available, and whom the public accountant acknowledges in writing that he or she knows that the person intends to rely on his or her work product. This class of people have the right to sue a public accountant for negligence.

Your Committee received testimony in support of the bill from the national federation of independent business, the Hawaii society of certified public accountants, and Howard S. Todo, a CPA representing Ernst & Young. Testimony in opposition to the bill was submitted by the Hawaii trial lawyers association and the Hawaii bankers association.

Your Committee believes that the public accountants' duty, as with lawyers and other professionals, is to the client relying on the professional's knowledge and expertise, not to unknown third parties and to an unlimited class of plaintiffs. Where the accountant has knowledge that his or her work product will be relied on by third parties however, your Committee believes that those third parties should then have the right to sue the accountant for negligence. Your Committee believes that this bill appropriately balances competing interests.

Your Committee is aware that this same bill unanimously passed the legislature last year but was vetoed by the governor because he believed that the accountants' workmanship would deteriorate if accountants were not held liable to a unlimited class of plaintiffs. Public accountants, however, still owe a duty to provide services in a diligent, professional, and accurate manner to a defined class whom the accountants know and acknowledge will be relying on their work product.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1267 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 559      Judiciary on S.B. No. 1291**

The purpose of this bill is to make public the state ethics commission's enforcement process and disciplinary action taken against state officials and employees who violate the state ethics code.

In particular, this bill deletes the provision making it a felony offense to divulge information concerning a charge prior to issuance of a complaint by the commission. The bill also provides, upon the commission's issuance of a notice of hearing, that the charge and further statement of alleged violation and the alleged violator's written response thereto are to be public records. In addition, this bill requires hearings to be open to the public and provides that commission decisions and findings are a matter of public record. With respect to cases of persons removable only by impeachment, the bill provides that complaints and disciplinary actions taken or not taken by the legislature, governor, or appropriate body of the constitutional convention, as appropriate, are to be a matter of public record. Finally, this bill provides that disciplinary actions taken by the civil service commission or other authority with respect to a violation of the ethics code is a matter of public record.

Your Committee agrees with the intent of this bill to make public the hearings, charges, and decisions of the ethics commission, as well as disciplinary actions taken against state employees for violation of ethics laws. Your Committee finds that, currently, the commission conducts its enforcement activities of ethics violations on a confidential basis, resulting in lack of public confidence in the enforcement of state ethics laws and in state government in general. Your Committee believes that opening up the commission's enforcement process to public scrutiny will help to protect the public's interest and restore public confidence in government. At the same time, your Committee finds that the bill protects the privacy interests of state officials and employees from unfounded ethics violation charges, and preserves the rights of an alleged violator to proper notice and ample time to respond to charges before the commission makes a probable cause determination that a violation has been committed.

Upon further review, your Committee has amended this bill to provide that the three-year statute of limitations is to begin from the date of discovery by the commission of an alleged violation of the ethics code. Currently, section 84-31(a)(6), Hawaii Revised Statutes, requires the commission, or anyone else wishing to file a sworn complaint with the commission, to issue a charge within three years of the time an alleged violation occurs. Your Committee believes that this time period, in many cases, is too short to uncover and investigate many ethics violations, especially those that do not come to light for several years. After apparent violations are detected, it is the commission's policy to thoroughly investigate matters before issuing a charge against the alleged violator to ensure that the charge is warranted. Your

Committee finds that amending the start of the limitations period to the date of discovery of the alleged violation will allow the commission additional needed time to conduct its investigations, so that the commission is not rushed into filing charges based on abbreviated investigations simply to stop the statute of limitations from running.

Your Committee has further amended this bill to provide that: (1) persons who file frivolous charges with the commission against those covered by the state ethics code are to be held civilly liable to the person charged for all costs incurred in defending the charge, including attorneys' fees; and (2) the person who has been frivolously charged may file an action in the circuit court to recover fees and costs incurred within one year after the commission's decision, which is to be binding on the court with respect to the court's determination of attorneys' fees in a civil action found to be frivolous.

Your Committee finds that unwarranted, frivolous attacks on public servants, while infrequent, are a potential source of harassment, may lead to loss of reputation in the community and termination from the person's employment, may result in hardship and harassment of the person and the person's family, and may discourage the effective fulfillment of the person's public responsibilities. Your Committee believes that this amendment will provide state employees and others who are covered by the ethics code with the necessary safeguards to protect them in the course of carrying out their public duties.

Your Committee has further amended this bill by adding a savings clause as a new section 4 of the bill, renumbering the remaining sections, and making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1291, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 560      Judiciary on S.B. No. 1305**

The purpose of the bill is to provide the director of health with the authority to issue an emergency order without the governor's approval when imminent peril to public health and safety is or will be caused by the release or discharge of environmental pollutants.

Your Committee finds that emergency circumstances have existed in the past involving dangerous conditions that could have been reduced or prevented if the Governor's approval was not required for the issuance of an emergency order. Your Committee is aware that such instances may be avoided by granting the director clear authority to issue an emergency order when deemed necessary.

Your Committee also finds that an immediate response is necessary to address any improper management of solid and hazardous waste because the impact on our ground and surface water poses a serious threat to public health and safety.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1305 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsunaga, McCartney).

#### **SCRep. 561      Judiciary on S.B. No. 1333**

The purpose of this bill is to enact the Uniform Statute and Rule Construction Act (USRCA).

This bill also repeals certain sections of chapter 1, Hawaii Revised Statutes, containing rules of statutory construction that are no longer necessary under the USRCA.

Your Committee finds that the USRCA, which was approved by the National Conference of Commissioners on Uniform State Laws in 1993, will both assist in the drafting of legislation and provide greater uniformity in the interpretation of state laws.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1333 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1, (Anderson)

#### **SCRep. 562      Judiciary on S.B. No. 1381**

The purpose of the bill is to clarify the procedures relating to the handling of claims involving cashier's, teller's and certified checks which are claimed to have been lost, stolen or destroyed.

Your Committee finds that, currently, the right to claim funds for lost, stolen, or destroyed checks only exists for the named payee of the item. Complications result from this law, as a maker of a check who is aware of the loss has no right to claim the item. Your Committee believes that such problems can be avoided by enlarging the class of people who can make claims by specifically providing that a remitter, a payee, or a drawer can assert the declaration of the loss. Other problems are also avoided through the bill, allowing the lender to demand adequate financial protection, releasing the

bank from any duty to honor a check a second time, and requiring a ninety day waiting period before a claim becomes enforceable.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

**SCRep. 563      Judiciary on S.B. No. 1521**

The purpose of the bill, as received by your Committee, is to safeguard the use of physician-specific aggregate data by excluding this data from discovery or admission into evidence during a judicial or administrative proceeding.

Your Committee finds that there are increasing demands for public accountability of the medical profession, particularly for consumers, corporate purchasers of health care, and publicly supported health programs. Consumer advocates, health care providers, health insurance companies, and governmental entities also want information related to quality and costs of care provided by both hospitals and physicians in order to make informed purchasing decisions. In order to encourage the proper use of data collected for valid purposes, the safeguards contained in this bill are needed to protect the confidentiality of individuals and prevent the misuse of data.

Your Committee received testimony in support of the bill by Kaiser Permanente, HMSA, the department of health, and the Chamber of Commerce, which emphasized the importance of these safeguards for protecting the privacy of personal health and medical information.

Your Committee amended the bill by deleting the exception for quality assurance activities of single entities, as the language appears to be inconsistent with the general intent of the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1521, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1521, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 564      Judiciary on S.B. No. 1602**

The purpose of the bill, as received by your Committee, is to authorize a criminal history record check of all persons hired to provide armed security services at airports within the State and to require that such persons' consent to a criminal history check by the Federal Bureau of Investigation (FBI).

Your Committee finds that the Federal Aviation Administration requires the department of transportation to provide armed security at airports. Criminal history record checks of airport security personnel who carry sidearms are required by federal and state law. Your Committee finds that fingerprinting is necessary to obtain national criminal history information to supplement corresponding state record checks and to comply with the federal requirements on criminal history checks.

Your Committee amended the bill to reflect suggestions from the department of attorney general. Rather than requiring a security person to submit statements regarding criminal history under penalty of "perjury", the attorney general suggested the use of the term "false swearing".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1602, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1602, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 565      Judiciary on S.B. No. 1618**

The purpose of the bill is to conform the penalty provisions for discrimination actions in housing under state law to federal law.

Your Committee is aware that unfair housing practices occur in Hawaii, and finds it necessary for the State to establish a uniform procedure for the enforcement of discrimination laws. The bill's penalty provision is consistent with civil penalties which are present under the federal Fair Housing Act, and allow a court to assess civil penalties if it determines that housing discrimination has occurred.

Your Committee finds that the civil penalties provided in the bill will permit access to a court remedy that will not undermine the administrative hearing process; it should encourage respondents to remain in the administrative process rather than risk costly court-ordered fines. A civil trial takes longer and costs more than an administrative hearing. This amendment will enable the civil rights commission to conserve its litigation budget and result in more expeditious decisions for the parties involved.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1618 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Anderson).

**SCRep. 566 Agriculture, Labor, and Employment on S.B. No. 1074**

The purpose of this bill is to amend the laws relating to the enforcement of wage and hour laws as they relate to public works projects.

Specifically, the bill:

- (1) Requires a contracting governmental agency to pay or cause to be paid any accrued payment, wages or overtime compensation, and any penalty assessed under chapter 104, Hawaii Revised Statutes (HRS), within sixty days;
- (2) Requires any contractor to pay any wages or overtime compensation to laborers or mechanics, and any penalties assessed under chapter 104, HRS, to the Director of Labor and Industrial Relations, within sixty days;
- (3) Requires that in cases where a government contractor has violated the terms of a public works project contract for the first time, the Labor and Industrial Relations Appeals Board (LIRAB) must complete its investigation and render a decision on the matter within sixty days of receipt of the complaint;
- (4) Stiffens penalties for noncompliance with chapter 104, HRS, and terms of a public works contract by:
  - (A) Requiring a fine of \$1,000 for the first offense of a government contractor found in violation of the terms of a public works project;
  - (B) Requiring a fine of ten percent of the total amount of the contract for the second offense of a government contractor found in violation of the terms of a government contract;
  - (C) Requiring that, if a government contractor violates the terms of a public works contract for a third time, then the contractor, in addition to being suspended from working on any public works project for three years, shall immediately stop work on the project; and
  - (D) Requiring LIRAB to suspend a contractor who does not pay its employees for work performed as part of the contract;

and

- (5) Allows the Director of Labor and Industrial Relations or LIRAB to publish the names of contractors who have violated the terms of public works contracts or provisions of chapter 104, HRS.

Your Committee believes these amendments to chapter 104, HRS, are necessary to ensure compliance with the terms of public works projects, protect the employees of a government contractor, and to make certain that public funds are expended in a responsible fashion.

Your Committee has amended the bill by:

- (1) Shifting the responsibility for rendering decisions on such matters from LIRAB to the Hawaii Labor Relations Board;
- (2) Amending the powers and duties of the Hawaii Labor Relations Board to accommodate its new responsibilities;
- (3) Clarifying that the sixty-day period, within which a governmental contracting agency shall cause to be paid any amounts and penalties due to laborers or mechanics under a government contract, or a contractor shall pay any amounts and penalties due to laborers or mechanics under a government contract, commences upon a determination made by the Director of Labor and Industrial Relations or the Hawaii Labor Relations Board; and
- (4) Making a stylistic amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 567 Agriculture, Labor, and Employment on S.B. No. 1218**

The purpose of this bill is to subject collective bargaining impasses between a public employer and Bargaining Unit (10), institutional, health and correctional workers (Unit 10), to the compulsory arbitration process similar to the process currently applicable only to the bargaining units representing firefighters and police officers.

Your Committee finds that if a bargaining dispute between a public employer and Unit 10 exists for over ninety days after written notification by either party to initiate negotiations, then the bill allows either party to give written notice to the Hawaii Labor Relations Board (Board) that an impasse exists. Upon notification of an impasse, the Board shall assist in the resolution of the impasse by appointing a mediator within three days of the notification. If the impasse still exists after fifteen days of notification of the Board, the dispute shall then be subject to arbitration proceedings in which a single arbitrator shall be empowered to enter into a stipulated award and decision.

Under existing law, only Optional Appropriate Bargaining Units 11 and 12, the bargaining units representing firefighters and police officers, are subject to similar requirements; except that in the case of impasses involving these two units, the parties may agree to either a single arbitrator or a panel of arbitrators or, absent agreement, the Board submits the dispute to a tripartite panel selected as provided by law, and the arbitrator or panel is restricted to consideration of specific factors which must be explained in a written opinion.

Your Committee believes that providing such a process will ensure that an expedient and just settlement will occur between both parties in collective bargaining disputes.

Your Committee has amended the bill to include bargaining units 2, 3, 4, 6, 8, 9, and 13 under the same compulsory arbitration procedures currently applicable to the bargaining units representing firefighters and police officers.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 568      Judiciary on S.B. No. 647**

The purpose of the bill is to adopt the mandates of the Gun-Free Schools Act of 1994 as state law in order to continue to receive federal funds under the Elementary and Secondary Education Act of 1965.

Your Committee finds that school violence in Hawaii is increasing at an alarming rate, and that strict penalties are necessary to eliminate violence on campus. The Gun-Free Schools Act of 1994 requires that all states adopt a mandatory expulsion policy for any student attending a public school who is found in possession of a firearm, provided that the local governing authority may modify the expulsion policy on a case-by-case basis. Your Committee believes that the strict enforcement of gun-free schools is essential to providing Hawaii's children with a safe and healthy learning environment.

The League of Women Voters and the Hawaii State Teachers Association testified in strong support of the bill, emphasizing the dangers at public schools and the need for strict discipline to overcome the problems of violence on campus.

For clarification purposes and to meet the federal guidelines, your Committee amended the bill by changing the expulsion period from "one school year" to "one year".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 647, S.D. 1, as amended herein as S.B. No. 647, S.D. 2 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 569      (Joint) Agriculture, Labor, and Employment and Ways and Means on S.B. No. 1488**

The purpose of this bill is to allow the Department of Agriculture to negotiate long-term leases with persons holding revocable permits for the use of agricultural park lands without the need for public auctions.

Your Committees find that certain permittees of agricultural park lands have occupied state lands for long periods of time, but because their tenure is on a month-to-month basis, they do not have security in the assurance of continued tenure on the land and are thus unable to obtain financing for improving their farm because financing is not available due to the lack of long-term tenure. Farmers who depend on state land for their livelihood are thereby constrained by their uncertain tenure from developing the land and using it more productively.

Your Committees also find that section 171-32, Hawaii Revised Statutes (HRS), provides that, unless otherwise specifically authorized by chapter 171, HRS, or by subsequent legislation, all dispositions of public lands shall be by lease only and disposed of by public auction. If the lands now occupied by certain permittees, who have been on the land for many years, are leased by public auction, there is a high probability that the permittees will not prevail as successful bidders on the land and would therefore be displaced, resulting in the relocation of farmers who may be forced to turn to public agencies for economic assistance.

Your Committees believe that it is in the public interest to assist qualifying permittees who depend on farming state land for a livelihood.

Your Committees have amended the bill by deleting the requirement that permittees pay a twenty-five percent premium for the number of years they have resided on the land as permittees and deleting the appropriation section of the bill.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1488, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1488, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Bunda, Solomon, Anderson).

**SCRep. 570      Ways and Means on S.B. No. 353**

The purpose of this bill is to appropriate \$50,000 each year of the upcoming fiscal biennium to promote the Hawaii State Farm Fair.

Your Committee finds that the Hawaii State Farm Fair is one of the best known agricultural activities that promotes the agricultural industry in Hawaii. It is an annual family and tourist event that educates the largely urban, general public about Hawaii's agricultural industry and its role in the economy.

Your Committee further finds that although the State has been providing funds since 1981 in support of the Farm Fair, funding is especially crucial this year. The Farm Fair is expected to sustain an increase in costs due to its relocation from McKinley High School, where the fair had been held for about twenty years, to a new, as yet unfixed site.

Your Committee has amended this bill by changing the appropriation figures to unspecified amounts for purposes of continued discussion in this important matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 571      Ways and Means on S.B. No. 355**

The purpose of this bill is to appropriate funds for an environmental assessment for a proposed slaughterhouse and meat processing plant site in Campbell Industrial Park.

Your Committee finds that a cost effective and efficient slaughter and meat packing plant is a critical element for Hawaii's livestock industries, which play a significant part of the State's diversified agriculture. Your Committee further finds that building a new slaughterhouse and meat processing plant at Campbell Industrial Park would be a major step in modernizing and improving the efficiency of this industry; would serve the needs of the beef, dairy, and swine industries in providing a central location for slaughter and packaging; and would help to alleviate concerns from communities regarding odor and noise by locating this facility away from residential areas.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 355, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 355, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 572      Ways and Means on S.B. No. 363**

The purpose of this bill is to appropriate funds to the governor's agriculture coordinating committee to enable the committee to expand and implement existing guidelines relating to livestock waste management.

Your Committee finds the federal Clean Water Act and the federal Coastal Zone Management Act both contain strict environmental standards that impact the livestock industry in Hawaii. These laws were developed to protect and preserve all the waters of the United States from point and non-point sources of pollution. The livestock industry, which is particularly affected by federal non-point source pollution standards, has identified the issue of waste management as the most critical problem facing the industry today. This bill provides funds to support the development of guidelines for the management of livestock wastes.

While it agrees with the intent of this bill, your Committee finds that further discussion is necessary to determine the amount of funding that is needed to support the development of these guidelines. Your Committee further finds that the moneys to be appropriated should be made contingent on the dedication of matching funds by livestock producers. Accordingly, your Committee has amended this bill by replacing the sums to be appropriated with blank amounts, by including a proviso requiring the dedication of matching private funds, and by making a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 363 as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 363, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 573 Ways and Means on S.B. No. 466**

The purpose of this bill is to establish a coffee inspection revolving fund within the department of agriculture for use in providing inspection services concerning the grade, classification, quality, or condition of fresh or processed coffee.

Your Committee finds that at present, the department performs these inspections, and the fees charged for the inspections are paid to the state general fund. Due to budget cuts, the inspection program has lost experienced personnel. The establishment of a revolving fund would support the inspection services and protect the inspection program from future budget cuts. The legislature has recognized in the past that coffee is an important crop in Hawaii, and has sought to protect this industry by enacting labeling laws. Proper inspection, classification, and grading is an important component of the process of supporting the coffee industry in Hawaii.

Your Committee has amended this bill by changing its effective date from on approval to July 1, 1995 to coincide with the beginning of the fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 466, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 574 Ways and Means on S.B. No. 858**

The purpose of this bill is to allow employees of the University of Hawaii and the department of education to invest their funds for retirement in mutual funds through custodial accounts.

This bill allows the employees of the University of Hawaii and the department of education to take advantage of favorable benefits offered under the Internal Revenue Code concerning retirement benefits by authorizing investment in custodial accounts (mutual funds are held in custodial accounts) in addition to the already authorized purchase of tax sheltered annuities.

Testimony in opposition of this bill recognizes that enhancing employee benefits is good, but expressed concern regarding the lack of state regulation of those who deal in custodial accounts. Unlike those who sell tax sheltered annuities, there is no state regulated licensure required to conduct business in mutual funds. Without state regulation those who would administer these funds fear that the risk is too high and the cost of monitoring the wide ranging mutual funds too great.

Testimony in support of this bill recognizes that the employees should have options for their retirement plan. The growth of the mutual fund industry offers that investment diversity as well as lower fees and more liquidity.

Your Committee finds that employees should be able to choose the best options for their retirement plan. This bill provides additional options for those retirement plans without forcing employees into a high risk investment. Your Committee has made technical, nonsubstantive amendments to this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 858, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 858, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 575 Ways and Means on S.B. No. 1141**

The purpose of this bill is to appropriate funds on a matching basis to support agricultural research by the Hawaii Sugar Planters' Association (HSPA) experiment station.

Your Committee finds that the HSPA has for many decades provided technical and practical expertise in the field of agricultural research, not only for the sugar and pineapple industries, but for the small farmers who cannot conduct their own experiments. With the gradual decline of sugar and pineapple, it is more and more important that alternative agricultural products receive research attention. Diversified crops, non-chemical pest control, increased crop yields, and improved water use are some of the areas in which HSPA has had considerable impact in the past. Maintaining agricultural areas benefits the islands because it provides people who want to farm another way to earn a living while providing the State with new revenues.

Your Committee further finds that without adequate funding the HSPA experiment station would be set back in ways that may be irretrievable at another date. However, given the fiscal picture of the State this year, even while recognizing that agriculture is one of Hawaii's most important industries, your Committee has amended this bill by changing the appropriation of \$2,500,000 to a blank amount until a clearer financial picture is available.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1141, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 576 Ways and Means on S.B. No. 1311**

The purpose of this bill is to appropriate funds to continue research on yellow sugarcane aphid behavior and to obtain potential biological control agents of the aphid from foreign countries for quarantine evaluation and possible release to combat the aphid.

Your Committee finds that the yellow sugarcane aphid continues to have a detrimental effect on the State's environment by destroying forage grasses on range lands upon which the cattle industry depend for grazing purposes. Your Committee notes that this aphid also is one of the most abundant insect pests of sugarcane. General predators have been inadequate to suppress the yellow sugarcane aphid populations. Accordingly, your Committee finds that long term management strategies are needed to control the yellow sugarcane aphid.

Your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1311, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 577 Ways and Means on S.B. No. 1350**

The purpose of this bill is to authorize the agribusiness development corporation to issue revenue bonds for the establishment of an agribusiness research center on the north shore of Oahu.

Your Committee finds that the Waialua Sugar Company will terminate its operations on Oahu's north shore by the spring of 1996. The closure of the company will present the Waialua and Haleiwa communities with many challenges as they explore and develop other viable economic opportunities. The agribusiness development corporation was created by the legislature in 1994 for the purpose of helping agricultural operations in making the transition from agriculture to other growth options. This bill provides the corporation with the funds to develop an agribusiness research center along the north shore of Oahu to assist plantation operations in converting their operations to other diversified agricultural options.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 578 Ways and Means on S.B. No. 1370**

The purpose of this bill is to allow nonresident hunters to hunt game birds on private or commercial shooting preserves provided they possess a valid hunting license issued by the nonresident hunter's state or Canadian province of residence.

The bill also: imposes additional quarterly reporting requirements upon the private and commercial shooting preserve licensee with respect to nonresident hunter statistics; authorizes the department of land and natural resources to set the licensing fees for private and commercial shooting preserves and game bird farmers; and requires private and commercial shooting preserve licensees to remit a sum, equal to the current nonresident hunting license fee per each nonresident hunter exempted from the license requirement under this bill, to the department for deposit into the wildlife revolving fund.

Your Committee finds that this bill would permit qualified nonresidents to participate in game bird hunting activities within the State, without the burden of completing the hunter education program required for licensing, while ensuring a safe hunting environment for resident and nonresident hunters alike.

Your Committee has amended this bill by:

- (1) Rewording the sentence on lines 16 through 21 of page 2 to make its intent clear;
- (2) Clarifying the statutory reference to the nonresident hunting license fee; and
- (3) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1370, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1370, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 579 Ways and Means on S.B. No. 1420**

The purpose of this bill is to make appropriations for administration, coordination, and research on fruit fly projects with the ultimate goal of allowing shipments of Hawaii agricultural products presently barred by quarantines.

Your Committee finds that the growth of the State's diversified agriculture is hindered by interstate and international trade quarantines imposed due to fruit fly problems. Your Committee finds that good progress has been made by the Exotic Pest Insect Committee in coordinating state and federal contributions on eradicating the State's four fruit fly species, and now emphasis has shifted to addressing the quarantine issue. Your Committee finds that control of fruit flies would be of great economic benefit to the State.

Your Committee has amended the bill by replacing the appropriation amounts with blank amounts for the purposes of continuing discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1420, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1420, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 580 Ways and Means on S.B. No. 1496**

The purpose of this bill is to provide funding for the anthurium in-vitro culture certification and indexing project at the University of Hawaii at Hilo.

The anthurium industry constitutes the largest cut flower industry in the State. The industry also represents a large economic base of employment and revenue generation on the Big Island. Research at the University of Hawaii at Hilo focusing on the in-vitro culture certification and indexing has been successful in producing clean culture plants free of bacterial blight. The next step in the research is to ensure that the plants remain disease-free in the production stage. Researchers are designing a "triple-indexing" system to use with local anthurium cultures. The results of this research will benefit the industry and keep Hawaii competitive in the worldwide market of anthuriums.

Your Committee finds that the continuation of the important research being conducted by the in-vitro propagation certification and indexing project would benefit the State. Your Committee has amended this bill by replacing specified dollar amounts with unspecified amounts in order to further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1496, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 581 Ways and Means on S.B. No. 1497**

The purpose of this bill is to appropriate \$40,950 for fiscal year 1995-96, to fund anthurium research at the University of Hawaii-Manoa.

The anthurium industry in Hawaii is the largest cut flower industry in the the State and represents a large source of income for residents of the Big Island. Recently, the industry has declined both in production and sales volume that is largely attributed to coping with the devastation of anthurium bacterial blight and toxic media problems. Research on breeding anthurium varieties that are resistant to blight is essential if the Hawaii market is to remain competitive in the world market.

Your Committee believes that the University of Hawaii at Manoa's anthurium breeding and genetic engineering is involved in a promising line of research for the development of cultivars which will protect the flowers against disease. Your Committee has amended this bill by removing a specific dollar amount to be appropriated in order to further the discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1497, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1497, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 582 Ways and Means on S.B. No. 1676**

The purpose of this bill is to ensure the continued health and safety of patients at the Hawaii state hospital.

Your Committee finds that Act 212, Session Laws of Hawaii 1994, allows a department to refill only thirty per cent of vacated positions upon employees' retirement as a cost-saving measure. An additional thirty per cent of vacated positions are to be held vacant for fiscal year 1995-1996 and assigned to a statewide personnel pool. Forty per cent of the vacated positions are to be eliminated.

This bill would exempt all positions in the Hawaii state hospital vacated pursuant to Act 212 from being held vacant or eliminated and allows the director of health to refill all such vacated positions.

Your Committee believes that not only is this necessary to ensure the continued health and safety of patients in the Hawaii state hospital, but also to comply with the terms of the 1990 settlement negotiated with the United States Department of Justice to bring staffing levels up to widely accepted standards.

Your Committee has amended this bill by:

- (1) Deleting the erroneous references to the division of community hospitals and patients in the community hospitals in section 1 of the bill as an additional subject for exemption from the hiring freeze;
- (2) Inserted the corpus of subsection 3(b) of Act 212, which was inadvertently omitted and erroneously replaced with the corpus of subsection 3(c) of Act 212;
- (3) Inserted part of subsection 3(c) of Act 212 which had been inadvertently omitted; and
- (4) Added a new subsection (e) to specify that:
  - (A) One hundred per cent of the positions vacated pursuant to Act 212 in the Hawaii state hospital may be refilled by the director of health;
  - (B) None of the vacated positions shall be held vacant in fiscal year 1995-1996; and
  - (C) None of the vacated positions shall be eliminated.

Your Committee has also made other technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676, as amended herein, and recommends that it pass Third Reading in the form attached as S.B. No. 1676, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 583 Ways and Means on S.B. No. 1705**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 1 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 1 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1705 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 584 Ways and Means on S.B. No. 1706**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 2 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 2 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1706 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 585 Ways and Means on S.B. No. 1707**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 3 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 3 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1707 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 586 Ways and Means on S.B. No. 1708**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 4 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 4 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1708 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 587 Ways and Means on S.B. No. 1709**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 5 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 5 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1709 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 588 Ways and Means on S.B. No. 1710**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 6 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 6 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1710 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 589 Ways and Means on S.B. No. 1749**

The purpose of this bill is to conform the provisions of the law governing the employment status of full time exempt employees of the Hawaii public broadcasting authority (HPBA) to the employment of employees in the department of commerce and consumer affairs (DCCA) of which HPBA is a part.

Your Committee finds that under current law, the employment status of exempt employees at HPBA is such that:

- (1) An annual contract requires a single contract per individual per year, and prohibits rehiring the same individual in that position in the same fiscal year to provide continuity for the project, even if that is desired;
- (2) Renewal or nonrenewal of contracts requires a ninety day notification, which severely limits flexibility in planning; and

- (3) Board approval is required for nonrenewal of contracts which prevents the HPBA management from deciding renewal or nonrenewal of individual contracts.

In that regard, your Committee finds the amendments made by this bill will go a long way in providing financial and managerial flexibility while avoiding confusion between the duties and authority of the DCCA and the board of the HPBA. This bill accomplishes these goals by:

- (1) Requiring that full time exempt employees of the Hawaii public broadcasting authority be hired on a contractual basis not to exceed one year instead of on an annual contract;
- (2) Requiring renewal or nonrenewal notification to be given thirty instead of ninety days before the contract expires; and
- (3) Deleting review of nonrenewals of contracts by the board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1749 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 590 (Majority) Ways and Means on S.B. No. 1751**

The purpose of this bill is to remove restrictions on the number, type, and salaries of exempt analysts employed by the division of consumer advocacy.

Specifically, this bill broadens the category of analyst from the restrictive category of telecommunications or energy utility planning analyst to the more flexible one of utility analyst, removes the restriction on hiring up to only two analysts, and removes the analyst salary cap of \$55,000.

Your Committee finds that the division of consumer advocacy is usually the sole consumer voice at contested cases and rulemaking proceedings before the public utilities commission. Furthermore, there has been a rapid increase in the number and complexity of matters before the commission.

Your Committee believes that to ensure the continued success of the consumer advocate in representing all consumers in hearings before the commission, the consumer advocate should not be hampered by self-defeating restrictions in hiring and salary levels. Instead, the consumer advocate needs the kind of flexibility that can adjust to the level of diversity and complexity in utility and transportation matters.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1751 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, 1 (Liu). Excused, none.

**SCRep. 591 Ways and Means on S.B. No. 1791**

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

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 7 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1791 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 592 Ways and Means on S.B. No. 1792**

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

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 8 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1792 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 593      Ways and Means on S.B. No. 1793**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 9 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 9 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1793 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 594      Ways and Means on S.B. No. 1794**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 10 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 10 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1794 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 595      on Ways and Means S.B. No. 1795**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 11 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 11 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1795 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 596      Ways and Means on S.B. No. 1796**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for unit 13 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 1995-1997.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is the vehicle by which the cost items for collective bargaining unit 13 are to be provided when agreement is reached.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1796 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 597      Ways and Means on S.B. No. 1797**

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 for collective bargaining cost items for units 3, 4, and 13 and their excluded counterparts, for the cost of salary adjustments negotiated between the State and the bargaining unit representative in the fiscal biennium 1993-1995.

Your Committee finds that all cost items are subject to legislative appropriations pursuant to section 89-10(b), Hawaii Revised Statutes. This bill is necessary to cover the expected cost of implementing the collective bargaining agreement between the State and bargaining units representing state public officers and employees for the fiscal biennium ending July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1797 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 598      Ways and Means on S.B. No. 1931**

The purpose of this bill is to appropriate funds to establish a full-time permanent faculty nursery research position within the college of tropical agriculture and human resources of the University of Hawaii.

Your Committee finds that Hawaii's foliage and nursery industries have experienced significant levels of growth in recent years. While the demand for horticultural research is growing, your Committee finds that there is no single person within the state university system to initiate and coordinate further research in this area. The establishment of a faculty position within the University of Hawaii to conduct research and perform other related duties would support and enhance the development of the foliage and nursery industries in Hawaii.

While it concurs with the intent of this bill, your Committee finds that further discussion is necessary to ascertain the amount of funding that should be provided to support the position being created. In addition, your Committee found no compelling reason to designate the position as a permanent research position at this time. In this regard, your Committee has amended this bill by replacing the appropriation with a blank amount and changing the status of the position being created from permanent to temporary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1931, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1931, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 599      Ways and Means on S.B. No. 1367**

The purpose of this bill is to increase from \$1,000 to \$5,000 the monetary penalty for any violation of state law relating to real estate sales.

Your Committee finds that the present monetary amount of the fine, set in 1984, may be too low to be of sufficient deterrent, given the increase in real estate values and cost of living during the intervening years. Your Committee believes that the increased penalty proposed in this bill will act as a stronger deterrent to violations of law regulating real estate sales and is necessary to protect the public interest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1367 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 600      Ways and Means on S.B. No. 1572**

The purpose of this bill is to conform the allocation and apportionment of the income of financial institutions to the Uniform Division of Income for Tax Purposes Act (UDIPTA).

The state tax law applicable to the income of financial institutions presently provides special provisions for the allocation and apportionment of income which is taxable both within and without Hawaii. The current system allows the taxpayer to make the determination of what is to be reported as in-state income and out-of-state income creating various audit situations. This bill repeals those special provisions and activates the use of the UDIPTA which is in effect in Hawaii as part II of chapter 235, Hawaii Revised Statutes. This is the method of taxation generally used by other states and with the advent of interstate banking activity, is an important amendment.

Your Committee finds that this bill will both enable the department of taxation to enforce the tax laws more effectively, as well as treat financial institutions on the same basis as other taxpayers for purposes of allocating and apportioning income.

As affirmed, by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1572 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 601 Ways and Means on S.B. No. 1712**

The purpose of this bill, as received by your Committee, is to make permanent the amendments made to the insurance code by Act 190, Session Laws of Hawaii 1994, to be effective on the date on which that Act was signed by the governor.

Among other things, this bill removes the June 30, 1996 repeal date to make permanent the insurance examiners revolving fund, the new part relating to risk-based capital for life and health insurers, and other amendments to the insurance code in order to conform with the accreditation requirements of the National Association of Insurance Commissioners.

Rather than making permanent the insurance code amendments made by Act 190, your Committee finds that the repeal date should be extended for three additional years. Your Committee has therefore amended this bill by:

- (1) Extending the repeal date of Act 190, Session Laws of Hawaii 1994, from June 30, 1996 to June 30, 1999. On that date, the insurance examiners revolving fund, the provisions relating to risk-based capital for life and health insurers, and other amendments to the insurance code will be repealed;
- (2) Adding a new section to provide that, upon the repeal of Act 190 on June 30, 1999, the fund will be replaced by the provisions added by Act 280, Session Laws of Hawaii 1993, section 25, which have never become effective. That section provides, among other things, that moneys necessary for the compensation and reimbursement of independent contractor examiners and insurance division staff examiners are to be allocated by the legislature through appropriations out of the state general fund; and
- (3) Making a technical correction to the reenactment language in the effective date section of Act 190 to ensure that sections 431:3-302, 431:5-307, 431:19-107, and 431:19-115, Hawaii Revised Statutes, are reenacted in the form in which they read before the repeal of Act 190.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1712, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1712, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 602 Ways and Means on S.B. No. 1717**

The purpose of this bill is to make housekeeping amendments to the laws on captive insurance companies in order to conform those laws to the rest of the insurance code.

Specifically, this bill makes conforming amendments to provisions relating to reporting and filing requirements and premium tax payments.

Under the present law there is some ambiguity as to the obligations of captive insurers and the enforcement powers of the insurance commissioner regarding the implementation of the filing and reporting requirements. This bill requires annual statements to be prepared in accordance with methods prescribed by the National Association of Insurance Commissioners. This bill also establishes specific penalties for failure to file the required documents.

Present law also provides a premium tax payment date for captive insurers that is later than that for other insurers. Imposing the same, earlier payment date established by this bill will enhance administrative efficiency and generate state revenues earlier.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1717 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 603 Ways and Means on S.B. No. 1760**

The purpose of this bill is to charge fees for claims made to the medical claims and the design professional conciliation panels.

The bill also reduces the payment to each panel member in both programs from \$300 per claim to \$150 per claim.

The amendments to the medical claims conciliation panel provisions will now require a deposit of \$200 by each claimant, with moneys remaining after all panel costs have been paid, returned on a pro rata basis. The amendments to the design professional conciliation panel provision lowers the deposit from each claimant from \$450 to \$200 which is then

similar to the amount deposited by claimants in the medical claims conciliation panel process. The end result of these amendments is to make both panels alike with regard to fees.

Your Committee finds that in these lean times, it is prudent to allow the parties to these proceedings to participate in offsetting the expenses incurred by the department. Even incidental costs such as postage, photocopying, travel expenses and the like affect the total cost of providing these much needed conciliation efforts that save even greater judicial costs.

Your Committee has amended this bill by adding a savings provision as a new section 4, renumbering remaining sections, changing the effective date to a date certain, July 1, 1995. Your Committee has also made other technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1760, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1760, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 604 Ways and Means on S.B. No. 1275**

The purpose of this bill is to create a twenty-five member Hawaii Information Congress 1995 task force which will recommend steps to facilitate and accelerate Hawaii's entrance onto the information superhighway.

Your Committee finds that Hawaii must participate actively in the current information revolution which will carry the next generation into the new century. The use of telecommunications, including telephone, cable, satellite, and other resources can be used to deliver services such as distance learning, remote medical sensing, distribution of medical information, library research, and participation in government public hearings and other forums. Effective use of the information superhighway can help promote economic development and participation in the global economy. The task force's wide range of experienced and knowledgeable members will help the State to direct the future of Hawaii's information technology by analyzing technological capabilities, public needs, areas for public and private cooperation.

Your Committee finds that the task force is advisory, and that the appointment of task force members by the President of the Senate and the Speaker of the House of Representatives poses no constitutional problem.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1275, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 605 Ways and Means on S.B. No. 1939**

The purpose of this bill is to appropriate funds for: (1) the operation of the public access room at the State Capitol; (2) the production and distribution of television broadcasts of legislative proceedings during fiscal year 1995-1996; (3) the installation of electronic hardware and broadcast equipment at the State Capitol; and (4) the purchase of taping and broadcast equipment to enable the timely rebroadcast of state legislative programs on the neighbor islands.

Your Committee finds that the permanent state public access program, which was created by the legislature in 1994, was established to encourage and facilitate public participation in the legislative process. The public access room at the State Capitol enables members of the public to consult with public access program personnel, review legislative measures, prepare legislative testimony, and utilize public access data processing and telecommunications equipment. This bill provides funds for the expansion of public access programs throughout the State.

While it concurs with the intent of this bill to expand and improve the efficiency of public access systems statewide, your Committee finds that the current fiscal outlook for the State presently dictates that strict priorities be established and exercised. In this regard, your Committee has amended this bill by deleting all those appropriations earmarked for items and expenses that fall beyond the scope of the basic operating expenditures of the State Capitol public access room. As amended, this bill appropriates \$60,000 for the operation of the public access room at the State Capitol.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1939, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1939, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 606 Ways and Means on S.B. No. 468**

The purpose of this bill is to appropriate \$70,000 each to the four county economic development boards for fiscal year 1995-1996.

Your Committee finds that economic development in the State's counties is best done at the county level. Each county has its own particular needs, areas of initiative, and its own focus and targets for economic development that can be acted upon at a grass-roots level that would be difficult to accomplish at the state level. County economic boards have the

unique ability to work with the private sector, while cooperating with both state and federal agencies, to implement specific and targeted county development plans and projects that are consistent with state economic development goals.

Your Committee has amended this bill by changing the appropriation amount from a total of \$280,000 to a blank amount for purposes of further discussion, and by making other technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 468, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 468, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 607 Ways and Means on S.B. No. 594**

The purpose of this bill is to appropriate funds for a geothermal compliance coordinator position for the county of Hawaii in the department of business, economic development, and tourism.

Your Committee finds that the geothermal potential for the Big Island has not yet been fully tapped. The position of geothermal compliance coordinator was discontinued in December 1994 at a time when geothermal resource development appeared to be getting off the ground and when the county of Hawaii needed assistance in economic development. Your Committee finds that a reinstatement of this position is important to Hawaii county continuing to play a vital role in developing geothermal energy in Hawaii. Among other things, the continuance of the geothermal compliance coordination position would allow the county of Hawaii to:

- (1) Regulate, monitor, and enforce, on a daily basis, the conditions and terms of Geothermal Resource Permit No. 2 (GRP-2).
- (2) Provide for periodic review of the terms used in GRP-2 such as the permit mandated review of Best Available Control Technology (BACT) for noise and air emissions.
- (3) Provide state and county interagency communication on geothermal activities on a daily basis and notification of significant events on an immediate or an as-needed basis.
- (4) Provide staff support and administration for the county's permanent relocation program utilizing all of the county's share of the geothermal royalties from the State.
- (5) Provide liaison with the local community and nearby neighbors regarding reports and updates on different geothermal development and operational activities.
- (6) Provide technical support and management for the HGP-A site and Puna Research Center after the proposed transfer from NELHA to the county of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 594 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 608 Ways and Means on S.B. No. 781**

The purpose of this bill is increase the number of enterprise zones the governor may designate in any one county from six to nine.

The enterprise zone law provides state tax breaks for businesses that generate jobs in census tract zones that meet certain criteria related to unemployment rates. The Big Island is currently the only county that has designated any areas as enterprise zones and within the last three months has designated three. The current law limits the number of designated areas to six which means the Big Island would only be authorized to designate three additional areas as enterprise zones.

The unemployment rate on the Big Island is at an all time high and approximately half of the twenty-seven census tracts on the Big Island have unemployment rates that would qualify them for designation as enterprise zones. While it is true that large areas could be designated as enterprise zones, in order to include all the necessary areas, it is more fiscally prudent to allow an additional number of enterprise zones per county so that assistance can be focused on pockets of economic distress.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 781 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 609 Ways and Means on S.B. No. 837**

The purpose of this bill is to appropriate \$664,500 to the Pacific International Center for High Technology Research for the development of a biomass energy generation program. This bill also authorizes the issuance of special purpose revenue bonds to assist the center in the construction of an ethanol and energy conversion facility.

Your Committee finds that the Pacific International Center for High Technology Research is a legislatively established nonprofit corporation dedicated to the development of sustainable energy alternatives throughout the State. Together with various state and federal agencies and local and national corporations, the center has developed an energy/agriculture model and business plan aimed at the development of energy generation alternatives. The program joins key resources and stakeholders in developing an environmentally sustainable and economically viable approach to utilizing biomass materials to produce products of value.

While it fully supports the intent of this bill, your Committee finds that the amount authorized under the special purpose revenue bond authorization provision will provide sufficient funds to carry out the purposes of the biomass energy generation program at this time. In this regard, your Committee has amended this bill by deleting the appropriation aimed at supporting the development of the integrated biomass to energy program. Your Committee has further amended this bill by making several technical amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 837, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 837, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 610 Ways and Means on S.B. No. 1652**

The purpose of this bill is to abolish the industrial park special fund.

Your Committee finds that the industrial park special fund was established to provide a source of funds for the development of industrial parks on state lands. According to the department of land and natural resources, however, the fund has rarely been used for the purposes authorized under the law. Your Committee finds that the repeal of the fund will not interfere with the ability of the department to work with the private sector to jointly develop industrial parks on state lands.

Your Committee has amended this bill by correcting an error in drafting. The text of section 171-138, which is being repealed in this bill, has been updated to reflect the amendments made to the section in 1994. Your Committee has further amended this bill by changing the effective date to July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1652, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1652, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 611 Ways and Means on S.B. No. 1734**

The purpose of this bill is to conform the state foreign-trade zone law with federal regulations and to explicitly allow the use of the foreign-trade zone special fund for capital improvements.

Your Committee finds this bill necessary to clarify the exemption from taxes for merchandise admitted into a foreign-trade zone. This bill conforms the provision to current federal regulations by replacing the classifications of "privileged domestic merchandise" and "nonprivileged domestic merchandise" with the single classification of "domestic merchandise". This bill also permits the use of moneys from the foreign trade zone special fund for capital improvement of the zone.

Your Committee finds that it is in the best interest of the State to conform to federal regulations where applicable and that expenditures for capital improvements of the zone are within the bounds of reasonable and acceptable uses of the moneys deposited into the foreign-trade zone fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1734 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 612 Ways and Means on S.B. No. 1736**

The purpose of this bill is to repeal the director of business, economic development, and tourism's authority to guarantee commercial loans made to eligible businesses by private financial institutions.

Your Committee finds that since the enactment of chapter 211, Hawaii Revised Statutes, in 1965, the director of business, economic development, and tourism has never exercised the powers conferred to the department under this law. In addition, throughout the history of the law, no funds have been appropriated by the legislature to enable the

department to make the payments for loans in default that may have been guaranteed by the department under the program. Your Committee finds that the availability of loan guarantees from other sources has made this law obsolete and unnecessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1736 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 613 Ways and Means on S.B. No. 1738**

The purpose of this bill is to clarify the definitions and functions of the community-based development loan and grant program within the department of business, economic development, and tourism.

The intent of the bill is to provide additional financing mechanisms to ensure the continued success of the program and to focus the primary purpose of the program on economic development. As such, the bill amends the name of the program to the "community-based economic technical and financial assistance program", emphasizes the technical assistance aspects of the program, and provides for flexibility in developing a range of financing mechanisms to support program efforts. In particular, the bill broadens investment options and capabilities, allows the revolving fund to invest moneys and receive funds received as royalties or earned on investments, reduces maximum loan terms from twenty to ten years, and reduces maximum grant amounts from \$500,000 to \$100,000. The bill also adds the administrator of the office of Hawaiian affairs to the program's advisory council.

Your Committee finds that this bill is necessary to more accurately reflect the department's experience in administering the program over the last several years, and more appropriately portrays the nature and needs of community-based organizations involved in community-driven economic development initiatives. Your Committee further finds that the amendments to the program, which was established in part to increase self-reliance and provide employment opportunities to Hawaii's people, will help to ensure the continued success of the program and assist the development and establishment of community-based enterprises in the State. In addition, your Committee finds that adding a representative from the office of Hawaiian affairs to the advisory council will provide for broader community representation.

Your Committee has amended the bill by:

- (1) Deleting sections 14 and 15 of the bill, amending sections 210D-13 and 210D-14, Hawaii Revised Statutes, respectively, because no substantive amendments were made to either of those sections;
- (2) Renumbering the remaining sections; and
- (3) Making other technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1738, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1738, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 614 Ways and Means on S.B. No. 102**

The purpose of this bill is to require the department of education to establish a task force to study and make recommendations to the legislature on establishing a single Hawaiian immersion campus system for all grade levels.

Your Committee finds that the content of the Hawaiian immersion language program, papahana kaiapuni Hawai'i, fulfills its responsibilities in providing an appropriate public school education as well as being a tremendous success in educating children in the language and culture of native Hawaiians. The demand for spaces in the papahana kaiapuni Hawai'i program exceeds available resources, and the demand increases every year.

Your Committee also finds that the papahana kaiapuni Hawai'i is in need of a single, separate campus in which Hawaiian is the only language spoken. Presently, because the program shares campus space with English-language public schools, the immersion program is less complete as English is spoken at recess and lunch time. It would also be valuable to have all grade levels located on one campus so that the older students can assist the younger students. The task force created by this bill would help facilitate the development of a single campus system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 102, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 615 Ways and Means on S.B. No. 371**

The purpose of this bill is to clarify that the incentive and innovation grants program be used solely for grants.

This bill also requires the submission of an annual report to the legislature and requires the inclusion of specified information.

The incentive and innovation grant trust fund was created in 1993 to provide a source of funding for experimental and innovative programs in the schools. This bill clarifies that expenditures made from this fund are solely for the purposes of providing these grants and that the programs funded by these grants are "school-based" activities. Additionally, this bill requires the superintendent of education to include the project evaluations and recommendations made by the panel along with the amounts and purposes of the expenditures made from the fund in the annual report to the legislature.

Your Committee finds that the articulation of these specific items to be included in the annual report of the review panel's operations will provide the legislature with the necessary documentation to monitor the program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 371 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 616 Ways and Means on S.B. No. 425**

The purpose of this bill is to appropriate funds to support the continuous in-service training of teachers in the public schools.

Your Committee finds that funding support for in-service teacher training and staff development assists the department of education's school community-based management and restructuring initiatives by encouraging growth and learning for its employees. Your Committee also finds that better trained teachers translate into better educated children in the classrooms.

For purposes of discussion, your Committee recommends passage of this bill with a blank amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 617 Ways and Means on S.B. No. 541**

The purpose of this bill is to specify the exact manner in which fees and charges that are assessed and collected by the department of education for the use of school buildings, facilities, grounds, and equipment are to be expended.

Specifically, this bill:

- (1) Repeals the power of the board of education to adopt rules specifying the manner in which the foregoing fees and charges are to be expended;
- (2) Requires fifty per cent of the gross fees and charges to revert to the individual school and be used for minor repair and maintenance projects to be determined by the school;
- (3) Requires twenty per cent of the remaining revenues (i.e., twenty per cent of the remaining fifty per cent of the gross fees and charges) to be transferred to the office of Hawaiian affairs for the use of lands in the public land trust; and
- (4) Requires thirty per cent of the remaining revenues (i.e., thirty per cent of the remaining fifty per cent of the gross fees and charges) to be transferred to the district office for expenses incurred for public and community use of schools within that district.

Your Committee finds that fees and charges that are assessed and collected by the department of education for recreational and community uses of school buildings, facilities, grounds, and equipment should be distributed only to those schools that are being used for recreational or community purposes. Your Committee also finds that these revenues should be distributed to the foregoing schools in accordance with the frequency and intensity of the recreational and community uses that generated the fees and charges.

Schools that choose not to make their facilities available for recreational and community uses should not be entitled to share these revenues with schools that open their doors to these uses. Similarly, schools that choose to limit recreational and community uses should not be entitled to share these revenues equally with schools that do not limit these uses. Consequently, your Committee believes that it is necessary to specify the exact manner in which these fees and charges are to be expended.

Your Committee has amended this bill by:

- (1) Specifying that the percentage of the fees and charges to be transferred to the office of Hawaiian affairs and the district office is to be based on one hundred per cent of the gross fees and charges that are assessed and collected, rather than on the remaining fifty per cent of the gross fees and charges;

- (2) Requiring only those schools that are located on ceded lands to transfer the foregoing fees and charges to the office of Hawaiian affairs; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 541, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 541, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 618 (Majority) Ways and Means on S.B. No. 885**

The purpose of this bill is to appropriate funds to the department of education for two existing social worker positions in the school-to-work transition center program at Farrington high school, and two existing social worker positions in the school-to-work transition center program at Waianae high school.

Your Committee finds that funding for two existing social worker IV positions in the school-to-work transition center program at Farrington high school, and two existing social worker IV positions in the school-to-work transition center program at Waianae high school, have been eliminated from the department of labor and industrial relations' budget due to restrictions on spending. Your Committee also finds that the foregoing positions are necessary for the general, overall well-being of their respective communities. The school-to-work transition center program at Farrington and Waianae high schools, established pursuant to section 373E-2, Hawaii Revised Statutes, is the only program in the State that offers social, health, and career/employment services to all students in their respective schools.

Social workers in the school-to-work transition center program:

- (1) Provide crisis (e.g., physical and sexual abuse, suicidal feelings, and fighting) intervention counseling;
- (2) Provide individual, interpersonal, and family counseling (e.g., school adjustment, depression, and runaways);
- (3) Provide group work (e.g., student assistance programs and special education social skills groups);
- (4) Provide peer counseling programs to meet the needs of their respective schools, and provide anger management, death, and grief counseling;
- (5) Facilitate services with the department of human services' child protective services program, Hale Kipa, and other community agencies; and
- (6) Provide consultation to faculty, staff, and the community.

With continued funding, students at these high schools will continue to receive holistic services for their social, health, and career/employment needs; will be able to receive help more quickly in times of crisis; and can develop confidence and higher self-esteem, and have a greater chance at achieving success in life. Inasmuch as it is more cost-effective to work with young people at the "front-end" of the social services system through prevention, rather than at the "back-end" through intervention and assistance, your Committee finds that the appropriations made in this Act are in the public interest and for the public health, safety, and general welfare of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 885 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, 1 (Liu). Excused, none.

**SCRep. 619 Ways and Means on S.B. No. 954**

The purpose of this bill is to fund the expansion of the parent-community networking center (PCNC) program in the department of education.

Specifically, this bill appropriates \$564,672 and \$1,019,320 in fiscal years 1995-1996 and 1996-1997, respectively, to expand the PCNC program to an additional fifty-one and thirty-four schools in the next fiscal biennium.

Your Committee finds that the PCNC program is one of the most successful of the department of education's programs. Parent involvement in their children's education has increased in the one hundred fifty-five schools now involved in the PCNC program. The program has improved school-community relations and has helped to create a more positive and committed attitude in both teachers and parents towards the education of their community's children.

Your Committee has amended this bill to change all appropriated amounts to blank amounts for purposes of further discussion. Your Committee has also made one technical, nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 954, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 954, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 620 (Majority) Ways and Means on S.B. No. 1247**

The purpose of this bill is to appropriate funds to ensure that one full-time permanent business manager position is assigned to each high school that is operating under a school/community-based management system.

Act 295, Session Laws of Hawaii 1992, established a program that provided a business manager for schools under the school/community-based management system. That pilot program has been a big success that provides a better managed school in addition to more quality teaching time by releasing the principal from certain logistical financial functions.

There are seven schools currently participating in this pilot program. Your Committee finds that this subject warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1247 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, 1 (Solomon). Excused, 1 (Tanaka).

**SCRep. 621 Ways and Means on S.B. No. 1298**

The purpose of this bill is to establish a Hawaii teacher standards board within the department of education for administrative purposes.

The purpose of the board is to transfer the responsibility for setting public school teacher certification standards from the department of education to the board, and to establish a mechanism for licensing and credentialing public school teachers. This bill also establishes the teacher licensing and credentialing special fund to pay the expenses of the board, provides for the board of education to serve as the adjudicating authority for appeals of decisions of the board, and permits the imposition of penalties for violations. In addition, the bill appropriates funds to the teacher licensing and credentialing special fund, requires the board to submit a status report to the legislature before the convening of the 1997 regular session, and provides for the repeal of the board on June 30, 2000.

Given the projected shortage of teachers in Hawaii over the next decade, your Committee is concerned that teaching standards not be permitted to erode or be significantly undermined by the need to hire a large number of teachers. Your Committee finds that creating a Hawaii teacher standards board and establishing appropriate licensing credential standards will strengthen the teaching profession in the State by ensuring rigorous professional standards and quality teaching, restoring public confidence in the State's teachers, and encouraging greater professionalism in teaching in the State.

Your Committee, believes, however, that the Hawaii teacher standards board should be self-supporting, similar to the occupational licensing boards attached administratively to the department of commerce and consumer affairs. While the bill already permits the board to establish licensing and credentialing fees in section -6(7) of section 1 of the bill, and provides that no person may be issued a license or credential without having first paid the requisite fees in section -8(e), the bill does not specifically provide for the imposition of renewal fees or the payment of penalty fees upon reinstatement of a license or credential. Your Committee has therefore amended the bill to allow the board to charge renewal and penalty fees, as appropriate, for renewal or reinstatement of licenses and credentials.

Your Committee further finds that the amendments to Article X, Section 3 of the Hawaii Constitution made by Act 272, Session Laws of Hawaii 1994, section 15, which were approved by the voters in November, 1994, limited the powers of the board of education to formulating statewide educational policy and appointing the superintendent of education. Therefore, the bill's requirement that the board of education serve as the adjudicating authority for licensing and credentialing appeals may exceed the scope of the board of education's authority. Your Committee believes that the superintendent is the more appropriate person to serve this function, and should also be permitted to hire hearings officers for this purpose.

In addition, while your Committee agrees with the bill's requirement that standards established by the teacher standards board are to be adopted as rules pursuant to the Hawaii Administrative Procedure Act, your Committee disagrees with the provision allowing for appeal of any of the standards to the board of education within ten days of filing with the lieutenant governor, and, if there is no appeal, providing that the standard is to take effect in accordance with the Administrative Procedure Act. As noted earlier, the board of education may no longer have the authority to hear such an appeal. Moreover, section 91-7(a), Hawaii Revised Statutes, already allows any interested person to obtain a judicial declaration as to the validity of any agency rule by bringing an action against the agency in the circuit court, which action may be maintained regardless of whether the petitioner has first requested the agency to pass upon the validity of the rule in question. Allowing an appeal only within ten days of filing with the lieutenant governor may therefore conflict with the Administrative Procedure Act. Finally, by providing, in effect, that any standard which has been appealed shall not take effect, the bill creates a system in which standards may be placed in a legal "limbo" for unspecified periods of time. Any person who is interested in discovering the standards adopted by the board will be unable to ascertain this definitively unless that person makes a thorough inquiry into each and every standard, to ensure that no appeal has been filed with respect to that particular standard. Your Committee finds that this would impose an intolerable burden on citizens who

simply wish to determine the current law in this area in order to be able to comply. Instead, your Committee recommends that standards be adopted in accordance with the Administrative Procedure Act on the same basis as other agency rules.

Therefore, upon further consideration, your Committee has amended this bill by:

- (1) Changing the teacher licensing and credentialing special fund to a revolving fund;
- (2) Specifically allowing the board to charge renewal and penalty fees, as appropriate, for renewal or reinstatement of licenses and credentials;
- (3) Substituting the superintendent of education in place of the board of education as the adjudicating authority for licensing and credentialing appeals, and allowing the superintendent to hire hearings examiners;
- (4) Deleting the provision allowing for the appeal of standards adopted by the board within ten days of filing with the lieutenant governor, and deleting the requirement that a standard shall take effect if there has been no such appeal;
- (5) Amending the effective date section to provide that the repeal date of June 30, 2000, shall apply to the entire bill, rather than only section 1 of the bill, and to provide for the reenactment of sections 297-2 to 297-4, Hawaii Revised Statutes, in the form in which they read on the day before the amendments to (or repeal of) those sections took effect, i.e., on June 30, 1997; and
- (6) Renumbering sections and making other technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1298, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1298, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 622 Ways and Means on S.B. No. 1906**

The purpose of this bill is to allow the department of education to initiate the next viable capital improvement project approved by the board of education and authorized by the legislature from a supplemental "B" project list if the initiation of a project from the priority "A" list is delayed.

This bill also:

- (1) Repeals the law allowing the department of education to use the state educational facilities improvement special fund to eliminate the gap between the facility needs of schools and available resources (funding);
- (2) Repeals the law specifying that expenditures from the special fund shall be subject to the allotment system; and
- (3) Allows the department of accounting and general services to establish, without regard to the civil service and compensation laws, temporary project manager positions that are dedicated to the school construction program and funded by the special fund.

Your Committee finds that unforeseeable problems can delay the implementation of capital improvement projects, such as the planning and design of additional school classrooms, to the point where it may no longer be feasible to proceed with the projects. When capital improvement projects are delayed, funds for plans, design, construction, land acquisition, and equipment remain unexpended. Because unexpended funds cannot be reallocated by the executive without the approval of the legislature, large sums of capital may sit idle until the funds are reappropriated by the legislature. Requiring funds to sit idle because of unforeseeable problems with the implementation of capital improvement projects is not an efficient use of scarce state resources given the present and future need for additional school classrooms throughout the State.

Your Committee finds that idle funds intended for plans, design, construction, land acquisition, and equipment can be put to constructive use if the department of education is allowed to initiate capital improvement projects that were approved by the board of education and authorized by the legislature from a supplemental project list when the initiation of projects from the priority list are delayed.

Your Committee has amended this bill by specifying that a capital improvement project that is initiated from the supplemental "B" project list cannot exceed either the total cost or cash flow requirements of the capital improvement project being replaced.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1906, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1906, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 623 Ways and Means on S.B. No. 201**

The purpose of this bill is to create a temporary task force to convene representatives from communities throughout the State for the development of policies, plans, goals, objectives, and recommendations to improve Hawaii's laws and programs relating to environmental protection.

Your Committee finds that Hawaii's natural environment represents one of the State's most valuable attributes. Unfortunately, state laws and programs aimed at protecting the environment often suffer from the absence of a comprehensive plan to define and coordinate the State's environmental objectives. Your Committee finds that a community-based task force will stimulate public participation and enable the development of a comprehensive strategy for the protection of Hawaii's environment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 201, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 624 Ways and Means on S.B. No. 1204**

The purpose of this bill is restore the position of deputy director for environmental health within the department of health, which was inadvertently eliminated during the 1994 regular session of the legislature.

Your Committee finds that the position of deputy director of environmental health under the department of health was eliminated during the 1994 regular session of the legislature in anticipation of the passage of separate legislation creating a department of environmental protection. Unfortunately, the bill to establish the separate department failed to win the approval of the legislature during the closing days of the 1994 session. Your Committee finds that until a separate department of environmental protection is created, it is imperative that the position of deputy director of environmental health be restored to administer and oversee the environmental programs operating under the department of health. This bill accomplishes this aim by substituting the deputy director for environmental health in place of the present deputy director for administration.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1204, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 625 Agriculture, Labor, and Employment on S.B. No. 1765**

The purpose of this bill is to repeal the legal representation requirements of the Attorney General and the various county attorneys or corporation counsels when appeals for suspensions, dismissals, and demotions are brought before the state or a county civil service commission.

Your Committee finds that in appeals brought before county civil service commissions, the Attorney General acts as counsel for the commission and either the county attorney or corporation counsel, as the case may be, acts as counsel for the appointing authority. In appeals brought before the State Civil Service Commission (Commission), the county attorney or corporation counsel, as the case may be, of the county in which the hearing is held acts as counsel for the Commission and the Attorney General acts as counsel for the appointing authority.

Your Committee also finds that in the past, this legal representation arrangement has worked out well for both the counties and the State. However, due to the increased workload of the Employment Relations Division of the Department of the Attorney General and the uneven distribution of responsibilities between the counties and the State, your Committee believes that it would be in the best interest of all jurisdictions if the counties assist each other in legal representation and the Attorney General assumes all responsibilities for the State. This will also allow the Attorney General to retain control over the quality of the legal services it provides.

Although your Committee is in accord with deleting these legal representation requirements, it is your Committee's understanding that in cases where a supposed conflict may arise when a state employer is named as a respondent in an action filed with the State Civil Service Commission, the Employment Relations Division of the Department of the Attorney General shall represent the state employer and an attorney from another division of the Department of the Attorney General shall represent the State Civil Service Commission.

Your Committee is well aware of the possible veil of impropriety that the supposed conflict may cast over future proceedings. However, your Committee believes that this issue should proceed in order to afford the entire Legislature with the opportunity to debate its merits and drawbacks.

In light of these concerns, your Committee has amended the bill by changing the effective date of the bill to June 30, 1996, to ensure that adequate time is provided for in the debate of this issue.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1765, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 626 (Joint/Majority) Communications and Public Utilities and Consumer Protection on S.B. No. 244**

The purpose of this bill is to promote competition in Hawaii's telecommunications services market by removing local barriers to entry and by requiring consistency with applicable federal regulations and adherence to national standards for interconnection as they are established to allow participation in the national interstate telecommunications infrastructure.

In particular, this bill requires the public utilities commission to require each telecommunications carrier, including the local exchange carrier, to provide any entity selling telecommunications or information services interconnection with the carrier's facilities and nondiscriminatory access to necessary routing and network information, services, and functions.

Your Committees find that with the rapid emergence of the global information infrastructure, universal, statewide access to an advanced telecommunications infrastructure is essential to ensure continued economic growth and competitive advantage for the people of Hawaii.

Your Committees believe that the best way of insuring the benefits of advanced telecommunications for all of Hawaii's residents -- whether they live in urban Honolulu or areas as distant as Na'alehu or Hanalei -- is for state government to take the lead in directing the transition into a competitive, market-driven environment.

This bill seeks to provide an orderly transition into a competitive environment by building upon the work of the Public Utilities Commission's infrastructure collaborative in Telecommunications Docket #7702. It also begins the discussions on universal service issues that must be addressed if Hawaii's long-standing commitment to universal service and fair access for all residents is to be maintained.

Today, insuring that universal service features like touch-tone service, enhanced 911 or telecommunications relay service are affordable for all Hawaii residents means that the difference between actual costs of providing these services and the rates users pay are "subsidized" by the rates paid by business and residential consumers in the more densely-populated urban areas.

As Hawaii moves into a more competitive environment, however, and the true costs for harder-to-reach areas begin to be reflected in business and residential rates, those who live or work in outlying areas will face higher charges. It also means that the cost to provide broader ranges of advanced telecommunications services will be more expensive for those who do not live in the urban core.

The bill therefore proposes to insure that all Hawaii residents benefit from basic, as well as advanced, telecommunications services through the following mechanisms:

- (1) Establishing a universal service program to assist specified groups of customers (i.e., low-income, disabled, and those living in relatively high-cost areas) in obtaining affordable access to telecommunications services;
- (2) Establishing an advanced telecommunications foundation comprised of public and private partners, to develop projects involving advanced telecommunications infrastructure and services;
- (3) Requiring telecommunications providers to provide service drops and basic service at no cost to schools, libraries, institutions of higher education and health care facilities within the service areas of such providers; and
- (4) Establishing a worker retraining program to help displaced telecommunications workers receive retraining and upgrading of skills if their displacement occurs as part of the transition into a competitive telecommunications environment.

Such programs are among the means by which other states have sought to protect consumers from potential adverse impacts of competition; and represent a starting point from which Hawaii's state legislature, industry representatives, telecommunications users and other interested parties can determine how best to achieve the levels of universal service appropriate for Hawaii as we move into the year 2000.

Your Committees have therefore amended this bill by deleting all existing provisions and by inserting the following new provisions:

- (1) Adding a new part to chapter 269, Hawaii Revised Statutes, entitled "Introduction of Competition in Telecommunications Industry." The public utilities commission is required under this new part to introduce competition in the State's telecommunications industry in three phases.

The first step of this phased-in competition plan calls for the bulk of all planning to be complete by June 30, 1995. Included in Phase I are the definition of objectives, public policies and regulatory goals, safeguards to prevent anticompetitive activities, terms for separating out selective telecommunications services (referred to as "unbundling"), and the groundwork for establishing competition in pay phone, resale and local exchange services. Universal service issues must also be addressed in Phase I.

The second phase, to be completed by December 31, 1996, includes the implementation of all Phase I planning. These will include: authorization to resell services; intrastate competition for switched services and full local exchange competition; further review and revision of universal service and basic service definitions, subsidies, and timetable; and the granting of access to public rights-of-way, and the rates, terms, and conditions for pole attachments and interconnection.

The third phase is required to be completed by December 31, 1997, and shall include such actions as the establishment of full number portability; the elimination of any remaining business restrictions affecting the provision of communication services within the State; and the authorization for competition on all remaining telecommunications services.

The public utilities commission is required to report to the legislature within (a) three months after the required completion date of each phase, and (b) six months before the conclusion of the second and third phases. Each report is to provide a detailed assessment of the commission's success in implementing enumerated requirements;

- (2) Adding a new part to chapter 269, Hawaii Revised Statutes, entitled "Hawaii Advanced Telecommunications Foundation."

The purpose of the foundation is to develop advanced telecommunications projects, and leverage public/private partnerships to maximize the resources available to deploy advanced telecommunications services throughout the State. The governor will be authorized to appoint, with the advice and consent of the senate, the majority of the directors of the foundation. Private sector telecommunications providers will select the remainder of members.

The foundation will establish a business plan to determine appropriate contributions from telecommunication providers and to select projects (a) that match potential advanced telecommunications projects with funding sources; (b) that demonstrate cooperative applications between telecommunications users or between telecommunications users and providers; (c) that educate telecommunications users about advanced technologies, applications, and alternatives, and associated effects on privacy; and (d) that develop systems to assist individuals in applying information produced through the application of advanced telecommunications to create knowledge;

- (3) Adding a new part to chapter 269, Hawaii Revised Statutes, entitled "Universal Service Program". In general, this part will assist customers located in areas of the State that have relatively high costs of telecommunications services, low-income customers, and customers with disabilities, in obtaining affordable access to a basic set of essential telecommunications services.

The public utilities commission is responsible for administering the program and shall require all telecommunications providers to contribute to the program beginning on January 1, 1996. The commission will adopt rules to determine whether telecommunications customers, telecommunications providers, or other individuals should be assisted by the program, and will submit an annual universal service program report to the legislature regarding the status of universal service availability throughout the State;

- (4) Providing that the public utilities commission shall establish a telecommunications retraining program, which shall be administered by a seven member board comprised of representatives from the telecommunications industry unions, telecommunications providers, the department of labor and industrial relations, and the educational field. In general, the board will be responsible, for maximizing opportunities for displaced telecommunications workers. The retraining program shall sunset on June 30, 1999;
- (5) Providing that the public utilities commission can use emergency rulemaking powers to effectuate the introduction of competition into the State's telecommunications industry upon ten days' notice of hearing. Such interim rules shall be effective for two years, during which the commission shall adopt permanent rules in accordance with chapter 91, Hawaii Revised Statutes;
- (6) Providing that the public utilities commission may exempt telecommunications providers from the provisions of chapter 269, Hawaii Revised Statutes, at its discretion upon notice and hearing;
- (7) Providing that the public utilities commission may approve price regulation and other regulatory methods alternative to traditional rate-of-return regulation, when it determines that competition will serve the same purpose as public interest regulation. When making any such determination with respect to a proposed alternative regulatory method, the commission may consider levels of planned infrastructure investment, and levels of contributions to the advanced telecommunications foundation and the universal service program; and
- (8) Providing that in addition to other potential sources of universal service subsidies, the public utilities commission may determine that eligible alternative telecommunications providers should be assisted by the universal service program.

Your Committees recognize that certain technical terms and phrases contained in this amended bill, which are commonly used and understood in the rapidly changing telecommunications industry, may require clarification. Your Committees have therefore attached to this Committee Report for reference purposes only, a glossary of telecommunications policy terms and phrases that relate to the amended bill.

As affirmed by the records of votes of the members of your Committees on Communications and Public Utilities and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 244, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 244, S.D. 1, and be placed on the calendar for Third Reading.

The following is a glossary of commonly used terms and phrases that are included in and/or relate to S.B. No. 244, S.D. 1.

**BASIC SERVICE** - telecommunications services that are made available to consumers on a statewide basis which include: a single-party service with touch tone capability, line quality capable of carrying facsimile and data transmissions, equal access, emergency services numbering, telecommunications relay services, and the blocking of long distance toll charges.

**CABLE OPERATORS** - cable television (CATV) service providers functioning under the terms of a franchise agreement with the State Department of Commerce and Consumer Affairs (DCCA).

**COMMISSION** - for the purposes of simplification, commission in this document refers to the Public Utilities Commission, the agency charged with regulating the intrastate phone service.

**COMPETITIVE COMMUNICATIONS MARKETPLACE** - a phrase which defines a transition to a reduced regulatory environment in the telecommunications marketplace. Such a move would open this highly regulated community to the economic forces of supply and demand.

**ENHANCED TELECOMMUNICATIONS SERVICES** - the use of network facilities and computer processing to provide additional value to an existing customer use or service.

**ESSENTIAL TELECOMMUNICATIONS SERVICES** - a set of service features that are made available to all customers at an affordable price (e.g. 911). These services would be defined by the commission as a necessary component of universal service which is to be made available on a statewide basis.

**HAWAII ADVANCED TELECOMMUNICATIONS FOUNDATION** - a proposed nonprofit entity funded on a voluntary basis to promote effective infrastructure uses, fund innovative technology application projects and to educate users about advanced telecommunications services.

**LOCAL EXCHANGE CARRIER (LEC)** - the local telephone company (GTE Hawaiian Tel) which provides the central office (CO) switching capacity and the lines to the customer premises. The LEC also provides interconnect capabilities between interexchange carriers (IEC) such as MCI, Long Distance/US Sprint, and AT&T.

**LONG DISTANCE TOLL BLOCKING** - a subscriber service which allows the customer the option of blocking any long distance incremental use charges (minute by minute) for a particular number or set of numbers.

**NETWORK INTERCONNECTIVITY** - describes the need for telecommunication service providers (including cable operators) to connect to each others' networks.

**POLE ATTACHMENTS** - the common term used to describe a telecommunication provider's ability to access the rights-of-way and easements dedicated to public use including: a pole, duct, conduit, or rights-of-way controlled by a public utility.

**SHARED TENANT SERVICES** - an arrangement that allows a business customer to resell local phone service to individuals or companies residing within the customer's premises, campus or group of buildings.

**TELECOMMUNICATIONS PROVIDERS** - are companies which hold a certificate of public convenience and necessity, or an exemption from certification, issued by the commission to provide telecommunications services within the State of Hawaii.

**TELECOMMUNICATIONS RETRAINING BOARD** - a consortium panel of providers, union members, labor and the educational sector, assembled to assess the impacts of the changing marketplace on the telecommunications industry and to provide options and avenues for upgrading skill levels to qualified workers.

**UNBUNDLING SERVICES** - splitting apart the types of services that are available to the telecommunications customer. Giving the customer the option of subscribing to individual services rather than being forced to subscribe to or pay for a group of services to receive the desired individual service.

**UNIVERSAL SERVICE** - is the availability of a basic set of essential telecommunications services and access to an advanced set of service capabilities from anywhere in the State at a reasonable rate. Universal service was originally established by the Federal Communications Act of 1934, which attempted to keep local phone service affordable for as many customers as possible.

**UNIVERSAL SERVICE PROGRAM (USP)** - a program to which all telecommunications providers are required to contribute to support and assist in the inclusion of customers who are low income, disabled or living in areas of the State that have high service charges. The USP would be administered by the commission and would also make funds available to support the deployment of advanced services and promote affordable access to education, library, and health care information services.

**UNIVERSAL SERVICE PROGRAM COUNCIL** - a council to advise the commission concerning the administration of the universal service program. This council consists of representatives from the telecommunication providers sector, but has the majority of its members representing the consumers of telecommunications services, including the state government.

**10XXX-INTRASTATE TOLL SERVICE** - a common descriptor term for a three digit code used to access a particular interexchange carrier's (IEC's) switched services from a local exchange line.

**700 SERVICE** - a dialing feature used for the delivery of a product or service which requires carrier-specific routing.

**800 WATS** - wide area telephone service which allows toll-free calls to and from a large service area. "800" numbers are one form of WATS.

**950 SERVICE** - the industry term for a block of numbers (i.e. 900, 976) where the user incurs a toll charge upon accessing the service.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 10. Noes, 2 (Matsuura, Anderson). Excused, 1 (Aki).

**SCRep. 627 (Joint/Majority) Judiciary and Agriculture, Labor, and Employment on S.B. No. 171**

The purpose of the bill, as originally received, is to exclude from required disclosure under the government records law, information pertaining to police department personnel misconduct.

Your Committees find that police officers perform an important and highly specialized form of public service. The duties they carry out are unlike those performed by any other public servant. The nature of law enforcement work is extremely dangerous; it is often physical, invariably stressful, and highly confrontational; and the problems and situations encountered by police officers on a daily basis are difficult for individuals other than police officers to fully appreciate. Nonetheless, officers must fulfill the difficult responsibilities required of them by the public in a way that fosters trust, confidence, and respect toward the institution.

Because of the level of public trust that must be maintained by officers of the law, the issue of public disclosure of police department personnel misconduct is a controversial issue. Incidents of police misconduct are appropriately addressed internally, and most often officers committing acts of misconduct are either routinely disciplined to the fullest extent of departmental rules and the law or referred to the prosecuting authorities for criminal prosecution.

Your Committees therefore start from the premise that because police work is unlike any other, because their standards of discipline are much stricter and because their contact with the public is daily and constant, police officers should be treated differently than all other public employees.

Your Committees find that in the egregious cases of police misconduct, which hopefully will not be many, criminal charges will be brought against the offending officer.

Your Committees recognize that there may be some serious cases of police misconduct which will not rise to the level of criminal conduct, and it is this group of cases that posed the greatest challenge to the committees.

While requiring public disclosure of the names of those officers discharged, your Committees wish to exercise oversight over those cases involving officers suspended by requiring the chiefs of police to submit on an annual basis the number of officers suspended under the Class A standards of conduct for each county police department. Should the number of cases involving malicious use of physical force and mistreatment of prisoners particularly, increase to the point of concern by the legislature, a new policy on police misconduct will likely be developed.

To address some of the concerns expressed in testimony, your Committees have amended this bill by extending the applicability of the disclosure requirement to acts of police misconduct which result in the discharge of an officer. Your Committees have further amended this bill by directing the chief of each county police department to submit an annual report to the legislature containing information on the number of police officers suspended or discharged by the department over the year. Your Committees find that this bill, as amended, balances the concern over the public's right to know with the considerations involved in ensuring and maintaining an effective system of law enforcement in the State.

As affirmed by the record of votes of the members of your Committees on Judiciary and Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 171, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 171, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, 1 (Matsunaga). Excused, 1 (Solomon).

**SCRep. 628 (Joint) Tourism and Recreation and Ways and Means on S.B. No. 1904**

The purpose of this bill is to establish shipboard gaming as a new market segment of the State's visitor industry.

Your Committees find that our state economy is largely dependent upon the visitor industry and therefore we must continue to identify new market segments to further its development. Your Committees further find that shipboard gaming has been successfully implemented in other jurisdictions and would provide an additional form of adult entertainment for our visitors as well as generate tax revenues for our State. Your Committees also recognize the concerns of certain committee members regarding the potential adverse social consequences of gaming operations on the community and believes that there will be additional opportunities to address these concerns as this measure receives additional review and debate.

Upon further consideration, your Committees have amended this bill by:

- (1) Changing the definition of "gross receipts" by adding the words "wagered or" after the term "money";
- (2) Prohibiting the conduct of gaming with money or other negotiable currency, except on slot machines;

- (3) Expanding the board membership from three to six members to be appointed by the governor, with two members to be appointed from a list submitted by the Senate President and two to be appointed from a list submitted by the House Speaker;
- (4) Providing staggered terms of the board members after the initial appointments;
- (5) Setting a limit on the number of licensed ships to a total of eight;
- (6) Clarifying the vote requirement for decisions by the board by requiring a majority of the members present and constituting a quorum;
- (7) Clarifying that gaming cannot be conducted while a ship is docked at any on-shore location, including any on-shore locations designated by the board as approved stops in a licensed gaming ship's route;
- (8) Inserting blank amounts for the admission fees and the wagering tax to be assessed by the State, to allow for further consideration of these items;
- (9) Requiring the state auditor to conduct a biennial assessment of the financial and social impacts of shipboard gaming, and a financial and program audit of the Hawaii gaming board; and
- (10) Inserting a provision for an automatic repeal of this Act in the event that a court proceeding results in a final order by the court that would allow shipboard gaming on land, or in any building, structure, or improvement attached to or on land.

As affirmed by the records of votes of the members of your Committees on Tourism and Recreation and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1904, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1904, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Bunda, Taniguchi).

**SCRep. 629 (Joint) Consumer Protection and Judiciary on S.B. No. 433**

The purpose of this bill is to establish the Uniform Management of Institutional Funds Act.

Your Committees find that the bill provides guidelines for the management, investment, and expenditure of endowment funds of educational, religious, and charitable organizations in order to eliminate uncertainty with regard to legal restrictions on the management, investment, and expenditure of these funds.

Specifically, the bill:

- (1) Authorizes a governing board of an institutional fund to appropriate funds for expenditure to carry out the purpose of the fund;
- (2) Authorizes a governing board of an institutional fund to accumulate funds for use as an income reserve to carry out the purpose of the fund;
- (3) Establishes a rule of construction to clarify that it is not the intent of the Uniform Management of Institutional Funds Act to supersede the original intent of any gift instrument by either restricting or broadening the scope of a governing board's authority that is specifically enunciated in an applicable gift instrument;
- (4) Allows the governing board to invest and reinvest an institutional fund in real property and personal property, stocks, bonds, mutual funds, trust funds, and other forms of investment consistent with the provisions of the applicable gift instrument;
- (5) Allows the governing board to delegate its responsibilities if not prohibited by the applicable gift instrument;
- (6) Establishes a standard of conduct for governing boards; and
- (7) Provides procedures by which a governing board may amend its gift instrument.

Your Committees believe that the adoption of the Uniform Management of Institutional Funds Act will enable these organizations to maximize their resources for the benefit of the charitable needs of the State.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 433, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, 2 (Aki, Tam).

**SCRep. 630 (Majority) Consumer Protection on S.B. No. 488**

The purpose of this bill is to require health insurance policies, contracts, and plans to directly reimburse nonparticipating providers for health care services rendered.

Under present health insurance policies, contracts, and plans (including fee-for-service plans or preferred provider plans, such as the Hawaii Medical Services Association) nonparticipating providers do not receive reimbursement directly from the plan. Instead, the subscriber receiving the service is paid directly by the plan. The subscriber is then responsible to pay the nonparticipating provider, usually through remitting that payment. This bill would require the plan to directly reimburse the nonparticipating provider rather than the subscriber under the same payment arrangement as participating providers.

Your Committee finds that this bill provides for fairness and equity in the rendering of medical services under health insurance policies, contracts, and plans. There is no ostensible justification for the difference in medical payment procedures as between participating and nonparticipating providers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 488 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, 1 (Ige). Excused, 1 (Aki).

**SCRep. 631 (Majority) Consumer Protection on S.B. No. 489**

The purpose of this bill is to require health insurance policies, contracts, and plans to allow their subscribers to request, by completing a simple form, direct reimbursement to nonparticipating providers for health care services rendered.

Under present health insurance policies, contracts, and plans (including fee-for-service plans or preferred provider plans, such as the Hawaii Medical Services Association) nonparticipating providers do not receive reimbursement directly from the plan. Instead, the subscriber receiving the service is paid directly by the plan. The subscriber is then responsible to pay the nonparticipating provider, usually through remitting that payment. This bill would require the plan to allow direct reimbursement to the nonparticipating provider rather than the subscriber if the subscriber so requests.

Your Committee finds that this bill provides for fairness and equity in the rendering of medical services under health insurance policies, contracts, and plans. There is no ostensible justification for the difference in medical payment procedures as between participating and nonparticipating providers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 489 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, 1 (Ige). Excused, 1 (Aki).

**SCRep. 632 Consumer Protection on S.B. No. 521**

The purpose of this bill is to require persons or entities in the business of reselling time share units to comply with the same registration requirements applicable to the initial developers of such units.

Your Committee is not thoroughly convinced that requiring resellers of time share units to comply with the same requirements of time share registration applicable to the initial developers of such time share units is necessarily the best or the only solution to any consumer protection problems that may exist in connection with the purchase of time share units in the secondary market.

However, in light of the fact that interested parties have requested the introduction of this bill, your Committee is concerned that there may be instances in which the current provisions of chapter 514E, Hawaii Revised Statutes, applicable to resellers of time share units are not adequate to protect purchasers of time share units in the secondary market.

Consequently, your Committee recommends that this bill pass out of this Committee in order to promote further discussion on this matter and arrive at appropriate solutions to any problems that may exist. Your Committee recommends that additional information be obtained on the nature and extent of the problems that have caused consumers to request additional registration requirements for resellers of time share units. If it appears from this information that consumer protection in the secondary market for time share units may be insufficient, your Committee recommends that the Department of Commerce and Consumer Affairs be asked to submit possible alternatives to this bill that the Department believes would both increase protection for such consumers and be manageable from an administrative standpoint.

Your Committee has amended this bill by amending section 514E-10, Hawaii Revised Statutes, to include a short-form registration process for out-of-state time share registrations which adequately meet Hawaii's standards for consumer protection in the time share industry.

Your Committee believes that the development of a short form of registration for time share developments that are already properly registered and approved in other states would benefit consumers by promoting and assisting the development of the time share industry in Hawaii. The short-form registration requirements would assure that the sale of such time share units will be in compliance with Hawaii's laws concerning purchasers' rescission rights, the escrow of purchasers' funds, and the requirement that the time share unit be conveyed to the purchaser free and clear of blanket liens. At the same time, the administrative burden and cost involved in registering out-of-state time share developments would be reduced by not requiring the developer to entirely duplicate the initial registration process.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 521, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 633 Consumer Protection on S.B. No. 532**

The purpose of this bill is to make clarifying amendments to the chapter on mandatory seller disclosures in real estate transactions.

Chapter 508D, Hawaii Revised Statutes, relating to the mandatory disclosure law, was enacted in 1994 and takes effect on July 1, 1995. This bill makes two amendments before the law takes effect:

- (1) Requires that any action for rescission be commenced prior to the recorded sale of the real property; and
- (2) Requires the seller to disclose inaccuracies in the real property condition statement that arise after the statement is provided to the buyer only if the inaccuracies are discovered prior to the recorded sale of the real property.

Your Committee finds that this bill clarifies possible ambiguities and protects the buyer to a greater extent because the seller cannot attempt to rescind the sale after all the documentation and financing for the sale is completed. The seller is also protected because the seller is released from any obligation for inaccuracies after the recording of the sale.

On recommendation of the Hawaii Association of Realtors, your Committee has amended this bill by adding language to require the seller to provide the buyer with an amended statement not later than noon of the last business day before the recording of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 532, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 634 Consumer Protection on S.B. No. 807**

The purpose of this bill is to require a physician, or the physician's authorized agent, to offer a patient the option of having the condition for a prescribed drug listed or not listed on the drug receptacle.

Your Committee finds that the condition for which the patient is taking a prescribed drug need not be revealed to anyone, except to the patient's own doctor. This bill gives the patient the option to list or not list the patient's condition on the drug receptacle.

Your Committee has amended the bill by deleting the proposed new section and adding language to section 328-16(a), Hawaii Revised Statutes (HRS), to require that labels include the symptom or condition for which the drug is prescribed when specified by the practitioner.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 807, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 635 Consumer Protection on S.B. No. 927**

The purpose of this bill is to allow financial services loan companies to charge for and to retain certain fees associated with preparing documents relating to consumer loan transactions which are secured by an interest in real property.

Your Committee finds that this measure is fair and reasonable to the consumer since documentation preparation is usually now prepared by legal in-house staff rather than outside attorneys, according to testimony of the Hawaii Financial Services Association. Therefore, the fees charged to the consumer are much lower than in the past, and the company should be able to retain these fees.

Your Committee has amended this bill on recommendation of the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs to limit the fees to attorney's fees. Your Committee has also made technical, nonsubstantive amendments for proper statutory drafting form.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 927, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 927, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 636 Consumer Protection on S.B. No. 959**

The purpose of this bill is to allow the Insurance Commissioner to issue a limited license to an individual who sells policies of individual or group credit personal property insurance, or individual or group credit involuntary unemployment insurance.

Your Committee received testimony in favor of this bill indicating that this would allow financial services loan companies the ability to write group credit property insurance and group credit involuntary unemployment insurance under the same umbrella as group credit life and accident and health insurance. This may save time and also provide better service to customers. The Department of Commerce and Consumer Affairs did not oppose this bill but indicated that the bill did stand silent on exam procedures and standards necessary for regulating this class of license.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 637 Consumer Protection on S.B. No. 1161**

The purpose of this bill is to authorize state-chartered savings banks to invest their own funds in investment companies or investment trusts registered under federal law.

Investment companies and investment trusts operate mutual funds. Therefore, this bill allows state-chartered savings banks to invest in mutual funds.

Under present federal law for insured state banks (which include state-chartered savings banks) these banks are limited to investing their equity (their own funds) in those investments that are permitted for national banks. Generally, national banks are prohibited from investing in mutual funds, except those mutual funds operated by investment companies which meet federal statutory qualifications. These federal statutes require that the mutual fund portfolio consist wholly of investments which the bank could have invested directly without limitation.

This bill is intended to extend to state-chartered savings banks that same investment latitude in mutual funds that national banks have. States are free to impose any investment restrictions (within the parameters of federal law) upon their own state-chartered banks.

The Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs submitted testimony that there are presently no state-chartered savings banks in existence and that no regulatory issues are raised by this bill. Therefore, they take no position on this bill.

Your Committee finds that state-chartered savings banks should have the same investment capacities as federally regulated national banks to afford them greater diversification in investments which are safe.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 638 Consumer Protection on S.B. No. 1234**

The purpose of this bill is to allow the establishment of tax-exempt medical care savings accounts by employers as a self-insurance medical plan for employees.

Your Committee finds that medical care savings accounts are an innovative alternative mechanism to encourage and promote responsible health care financing. Your Committee further finds that medical care savings accounts offer employees an opportunity to determine the amount of risk to assume related to their specific health care needs.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1234, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 639 (Majority) Consumer Protection on S.B. No. 1359**

The purpose of this bill is to establish the Hawaii Patient Access to Treatment Act (Act).

Specifically, the bill:

- (1) Prohibits managed care entities from denying access of patients to medical specialists on the ground that the patient was not appropriately referred;
- (2) Prohibits managed care entities from imposing unreasonable cost-sharing requirements on its members that receive medically necessary health care services from medical specialists
- (3) Allows managed care entities to pay providers using incentive payments; provided that no specific payment or withholding of payment has the direct or indirect effect of reducing or limiting medically necessary health care services which a provider would otherwise be responsible for providing to members;
- (4) Requires that prospective members be provided with standardized information as to the terms and conditions of the coverage that they will receive from the managed care entity so that they can make informed decisions about accepting the coverage;
- (5) Authorizes the Department of Commerce and Consumer Affairs (DCCA) to adopt rules under chapter 91 clarifying the requirements of the Act;
- (6) Establishes a fine that a managed care entity would be subject to if found in violation of the Act by the Department; and
- (7) Authorizes the Department to take any action necessary to prevent violation of this chapter including, but not limited to, seeking an injunction against the managed care entity and revoking the managed care entity's licensure.

Your Committee believes that the right of a patient to seek medically necessary treatment from a medical specialist should be protected and the passage of this bill would ensure such protection.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1359 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, 1 (Ige). Excused, 1 (Aki).

**SCRep. 640 Consumer Protection on S.B. No. 1368**

The purpose of this bill is to clarify the mandatory disclosure law relating to resales of residential real property.

Under current law, new single family project sales are exempt from the mandatory seller disclosure requirements if they are under "a current public offering statement". Your Committee finds, however, that as new single family projects are approved by the counties, public offering statements are not provided in such cases. Only condominium projects have public offering statements. Your Committee therefore agrees with the deletion of the public offering requirement as it currently relates to the exemption for new single family project sales.

Your Committee has amended this bill by clarifying that an exemption from the mandatory seller disclosure requirements is available when the seller and buyer agree in writing that the transfer "is not" covered (rather than "will not be" covered, as provided under current law) under chapter 508D, Hawaii Revised Statutes, as outlined in section 508D-10, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 641 Consumer Protection on S.B. No. 1720**

The purpose of this bill is to correct minor inconsistencies between corporate and partnership statutes and to clarify and correct corporate and partnership procedural provisions.

This administration housekeeping bill:

- (1) Clarifies the ministerial duties of the Department of Commerce and Consumer Affairs as to partnership laws, and the purpose and merger provisions of the corporation laws;
- (2) Removes redundant provisions from the dissolution section in the nonprofit corporation law and adds reference to chapter 463E, Hawaii Revised Statutes (HRS), to the definition of "professional services" in the professional corporation law; and

- (3) Corrects, adds, and changes various procedural provisions of the limited partnership laws.

Your Committee finds that these corrections and clarifications would help the Business Registration Division of the Department of Commerce and Consumer Affairs to operate more efficiently in handling documents.

Your Committee has amended this bill by adding a section to repeal chapter 420, HRS, relating to business development corporations. This chapter was enacted in 1957 for the purpose of promoting, developing, and advancing the prosperity and economic welfare of the Pacific Islands through a gamut of means ranging from rehabilitation to development. The chapter allows a corporation to be formed for this purpose and provides a major corporate income and general excise tax incentive of a total tax exemption, including all taxes on the sale or transfer of stock. Stockholders are allowed a tax credit for losses in the sale of stock.

However, your Committee finds that chapter 420, HRS, has been a dismal disappointment in accomplishing its intended purpose. There has never been a viable corporation formed under chapter 420, HRS. Furthermore, the tax exemption is extremely large for these times of tight fiscal restraints. Therefore, your Committee believes that chapter 420, HRS, should be repealed due to the lack of viable corporations formed thereunder, the unaffordability of the tax exemption if any such corporations were formed, and the lack of interest in this area.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1720, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1720, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 642 Consumer Protection on S.B. No. 1721**

The purpose of this bill is to delete a provision in the list of prohibited acts of charitable organizations that is extremely difficult to enforce.

This bill deletes the requirement that charitable organizations conducting charitable solicitations: (1) inform donors of their right to be deleted from the donor mailing list and (2) have procedures to effectuate the deletion.

Your Committee finds that the prohibited activity is extremely difficult to enforce and may be unfair in practice to charitable organizations which do not belong to a mailing list clearinghouse. According to testimony of the Department of Commerce and Consumer Affairs, repeal of this provision would bring Hawaii in line with all other states, none of which statutorily address donor mailing lists.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1721 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 643 Consumer Protection on S.B. No. 1725**

The purpose of this bill is to allow the commissioner of financial institutions to grant a reasonable extension, for good cause shown, of not more than forty-five days for the filing of a corrected report.

Your Committee finds that this bill is an administration bill which seeks to reinstate flexibility previously provided to the commissioner when there is a showing of good cause.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1725 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 644 Consumer Protection on S.B. No. 1726**

The purpose of this bill is to require compliance with the requirements of chapter 415, Hawaii Revised Statutes (HRS) whenever a financial institution converts, merges, or consolidates pursuant to sections 412:3-606 to 412:3-609.

Your Committee received testimony in strong support of this bill from the Department of Commerce and Consumer Affairs. This bill is an administrative measure which amends sections 412:3-606, 412:3-607, 412:3-608, and 412:3-609, HRS, to include requirements as they apply to financial institutions under chapter 415, HRS.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1726 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 645 Consumer Protection on S.B. No. 1728**

The purpose of this bill is to clarify the powers of trust companies to write checks on their respective checking accounts.

This bill deletes the prohibition against trust companies issuing drafts.

Your Committee finds that this administration measure by deleting the word "draft" makes it clear that a trust company can write checks against its own checking account.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1728 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 646 Consumer Protection on S.B. No. 1743**

The purpose of this bill is to clarify that licensed physical therapists are permitted to use auxiliary personnel to assist them in the practice of physical therapy.

The bill is an administration measure, which was supported by the Hawaii Board of Physical Therapy. The Hawaii Chapter of the American Physical Therapy Association expressed concern that the bill does not limit nor delineate the scope of practice for support or auxiliary personnel. Your Committee has amended the bill to address this concern by allowing support or auxiliary personnel to perform only those duties they are qualified to perform, and removing the provision holding the supervising physical therapist responsible for the acts of support or auxiliary personnel.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1743, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 647 Consumer Protection on S.B. No. 1745**

The purpose of this bill is to clarify the powers and duties of the State Contractors License Board (Board).

Specifically, the bill clarifies the Board's powers by:

- (1) Empowering the Board to order summary suspensions of contractor's licenses;
- (2) Authorizing the Board to make nonbinding interpretations or declaratory rulings, and conduct contested case rulings pursuant to chapter 91, Hawaii Revised Statutes (HRS); and
- (3) Allowing the Board to subpoena witnesses and documents, administer oaths, receive affidavits and oral testimony.

With regard to the licensing responsibilities of the Board, the bill requires that:

- (1) A contractor's license shall not be issued by the Board until the applicant has paid the applicable fees;
- (2) A contractor's license shall not be issued by the Board unless the applicant possesses liability insurance;
- (3) A contractor's license shall not be issued by the Board unless the applicant posts a bond pursuant to section 444-16.5, HRS, if the Board so orders;
- (4) A deadline of two years is placed on license applications to be completed;
- (5) Inactive status licensed contractors shall not engage in contracting; and
- (6) A dishonored check upon first deposit constitutes a failure to meet licensing requirements under chapter 444, HRS.

With regard to the disclosure on a licensed contractor's contracts, the bill requires that a licensed contractor include any information that the Board may prescribe by rule and that the licensed contractor enter into a written contract with the homeowner prior to engaging in any work project for the homeowner.

The bill also makes numerous technical amendments to clarify the Board's powers and duties.

Your Committee believes that the bill will provide the Board with the additional authority to effectuate its mandated purpose.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1745 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 648 Consumer Protection on S.B. No. 1897**

The purpose of this bill is to add mortgage loans secured pursuant to the Small Business Act and the Small Business Investment Act to the list of statutory exemptions from usury.

Your Committee finds that this bill would provide small business owners with greater access to affordable Small Business Administration guaranteed loans by allowing lenders to continue to participate in these programs in a fluctuating interest rate economy. Small businesses would be able to borrow a larger sum of money if loans which are made by lenders and regulated by the Small Business Administration were exempt from the usury laws. These loans made by lenders would be secured by a first lien on personal residences, and the Small Business Administration would then guarantee an equal loan amount, taking a second lien position on the same residence. The loans with the first lien and made by the lenders would not be available if these loans were subject to usury laws and interest rates were to exceed the usury limits. These loans, if exempted from the usury laws, would be available to small businesses. The interest that is being protected by the usury laws would be adequately protected by the regulation of these loans by the Small Business Administration. Your Committee intends that Hawaii small businesses have full access to federally guaranteed small business financing.

Your Committee has amended this bill by inserting "transaction" to read "mortgage loan transaction" for clarification, on the recommendation of the Small Business Administration.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1897, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 649 Consumer Protection on S.B. No. 728**

The purpose of this bill is to require all health insurance policies to provide contraceptive services as a part of their group health policy.

Your Committee finds that family planning is an important social issue that requires responsible decisionmaking by an individual. Without proper guidance, individuals may not be able to make an informed decision that may affect the rest of their lives.

Your Committee believes that requiring all health policies to provide contraceptive services will facilitate better family planning on a larger scale.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 728, S.D. 1 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 650 Consumer Protection on S.B. No. 926**

The purpose of this bill is to allow financial services loan companies to charge nonrefundable discount, points, loan fees, and loan origination charges, on consumer loans made to a lessee of land subject to the Hawaiian Homes Commission Act.

Your Committee finds that under the Hawaiian Homes Commission Act, a loan on a lessee's leasehold interest is permitted only through those few lenders who are insured by the Farmers Home Administration, Federal Housing Administration, or Veterans Administration. Until recently, those lenders have provided only permanent long-term loans, and no financing for construction or home improvement loans were available. Your Committee further finds that financial services loan companies are interested in making unsecured and home equity loans to Hawaiian home lands lessees but they find it uneconomical to provide these loans because points cannot be charged pursuant to section 412:9-304(4)(B), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 926 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 651 Consumer Protection on S.B. No. 1714**

The purpose of this bill is to implement the requirements under the Omnibus Budget Reconciliation Act (OBRA) of 1993 which impacts states' insurance laws.

Your Committee finds that under OBRA of 1993, states are required to adopt legislation to fully implement certain group health insurance and medicaid programs. Failure to act on this legislation would result in the withholding of federal medicaid match funding of the State's medicaid plan. This bill adds a new chapter to the Hawaii Revised Statutes which sets out the medicaid-related mandates required by OBRA.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1714 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 652 Consumer Protection on S.B. No. 484**

The purpose of this bill is to provide a method for the appointment of members to the physician assistant advisory committee.

Specifically, the bill provides:

- (1) That committee members shall be appointed by the chairperson of the board of medical examiners from a list of candidates submitted by the state chapter of the American Academy of Physician Assistants and by the public-at-large;
- (2) That the committee members shall be composed of physician assistants in various clinical settings;
- (3) That at least one committee member shall be a resident of either the county of Kauai, the county of Maui, or the county of Hawaii;
- (4) The term of committee members shall be not more than two consecutive years; and
- (5) That the committee shall provide a representative to the board of medical examiners.

Your Committee finds that the physician assistant advisory committee serves a vital function by providing input regarding the regulation of practitioners within the medical community, and should be more broadly represented as provided by this bill.

Your Committee has amended the bill by:

- (1) Requiring that the list from which physician assistant advisory committee members are to be appointed include applications submitted by interested individuals instead of candidates submitted by the public-at-large; and
- (2) Encouraging the chairperson to nominate at least one committee member from the neighbor islands rather than requiring that one committee member shall be a resident of either the county of Kauai, the county of Maui, or the county of Hawaii.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 484, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 484, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 653 Consumer Protection on S.B. No. 1846**

The purpose of this bill is to specify requirements relating to mammography facilities, exposure limits, use of physicists in the healing arts, and radiation protection programs. Civil penalties are also provided.

Your Committee finds that the provisions in this bill for mammography facilities will allow only those facilities which have optimal screening and diagnostic mammography services to operate in Hawaii. Your Committee further finds that the notification requirement for suspected overexposure will facilitate timely investigation and corrective action to minimize or prevent future incidents.

In general, your Committee believes that this bill is a major step toward ensuring the prudent use of radiation in medicine, and will also contribute to the well-being of professionals and the public by establishing state-of-the-art criteria for radiological safety.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S. B. No. 1846, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 654     Judiciary on S.B. No. 84**

The purpose of this bill is to establish civil "products liability" for illegal drugs.

Your Committee held a hearing on S.B. No. 84 on March 1, 1994. This bill, known as the Drug Dealer Liability Act, should help level the playing field for parents and children against drug dealers.

Your Committee finds that current federal law and the law of most states, including the State of Hawaii, require that money seized even from convicted drug dealers be returned to them unless it is directly connected to their drug crimes. This bill, the Drug Dealer Liability Act, makes those funds and other assets of drug dealers recoverable to pay for medical treatment and injuries caused by illegal drugs in the dealer's community. The bill permits parents of children in drug treatment, state and county public agencies which pay for drug treatment and illegal drug related medical care, hospitals caring for drug babies, and others who are financially injured as a result of illegal drugs to recover in a civil suit any assets in the hands of drug dealers who have distributed drugs in their communities.

Your Committee further finds that under current Hawaii law, it would be difficult, if not impossible, for such recovery to be obtained. Although our laws clearly permit those negligently injured and requiring medical treatment in virtually every other aspect of our lives to recover from the negligent party, they do not yet similarly provide for compensation from those who cause injury by intentionally distributing illegal drugs.

Our current law allows civil recovery from manufacturers of hazardous materials for injury caused by such materials which affect health even where a particular plaintiff cannot determine which manufacturer manufactured the particular product which caused them injury. This is referred to as "market liability" or "market-share liability" in existing case law. The asbestos cases and cases involving the pharmaceutical DES are examples. Yet, our current law does not now clearly establish such recovery for injuries caused by hazardous illegal drugs which are known to affect people and hurt the community. Your Committee finds that S.B. No. 84 would change this legal anomaly by imposing market liability on dealers of illegal drugs.

Daniel Bent and Daniel Foley testified in favor of S.B. No. 84. Mr. Bent testified on the overall structure of the bill and its analogy to common law "market liability" principles. The substance of his testimony is more fully described in the article entitled "The Model Drug Dealer Liability Act: Imposing Products Liability for Illegal Drugs".

Mr. Foley, a well known civil rights attorney, testified that he has seen the devastating consequences of drug use in our community and is impressed with this innovative "market approach" to the problem. He stated that he sees no constitutional problems with S.B. No. 84 as written but that if issues he cannot anticipate arise, the courts will be able to address them in the implementation of the bill as applied.

The only testimony presented at the hearing that raised substantive issues was by Public Defender Richard W. Pollack. Mr. Pollack testified the S.B. No. 84 is an "interesting approach" to the drug problem but did express concerns with "a few details." Those concerns are specified as follows: that the breadth of the definition of "illegal drug" should be limited so that a violation of a regulatory provision of law, for example by a pharmacist, would not be included under the bill; that the bill would create liability for a person "passing a single marijuana cigarette" to another since that would constitute "distribution" under the original language of the bill; and that the provision requiring drug users to disclose their sources of illegal drugs before filing a claim would possibly violate the user's Fifth Amendment right by causing him to forfeit his Fifth Amendment right in order to exercise the right to bring an action. He cited *Simmons v. United States*, 390 U.S. 1247 (1968) (a defendant cannot be compelled to forfeit constitutional right against self-incrimination for the constitutional right of reasonable search and seizure) in support of that concern. He also testified that the requirement that a user who brings a civil action under the bill abstain from drug use could "be abused by defendants" in that they "may seek daily verification" of no drug use during the entire pendency of the civil action. Mr. Pollack also testified that he was concerned that under the bill, parents of children who "distribute" illegal drugs could be exposed to vicarious liability. In addition, he noted that the bill provides that liability cannot be covered by insurance and questioned whether that would contravene the Commerce Clause or Contract Clause of the United States Constitution.

Your committee has amended S.B. No. 84 to address the principal concerns expressed by Mr. Pollack. Those amendments are as follows:

In section 2 of the bill, the definition of "illegal drug" in section -2 has been made more specific to make clear that only acts which would impose criminal liability under Hawaii law could be the basis of liability under the bill. This has been achieved by specifying that the distribution which gives rise to liability must also constitute violations of the statutory provisions under which criminal drug distribution cases are prosecuted.

Section -5(a)(1) has been deleted to remove the requirement that a user who brings an action under the bill would be required to disclose the information known to the user to law enforcement authorities. This removes the potential violation of a plaintiff's Fifth Amendment rights.

The existing language of section -6 barring insurance coverage for liability under S.B. No. 84, which gave rise to Mr. Pollack's concern under the Commerce Clause and Contract Clause of the United States Constitution, has been deleted. Your Committee notes that this change will not impact the bill in view of the fact that existing liability coverage typically excludes coverage for intentional illegal conduct.

Your Committee has addressed the concern that parents of a child who distributes drugs could become liable under civil principles of vicarious liability by inserting new language in place of the existing section -6. Section -6 now provides that: "Notwithstanding any other law to the contrary, no person shall be liable under this chapter under civil principles of vicarious liability." Furthermore, your Committee notes that, even without this provision, vicarious liability would be unlikely because section -3 provides civil liability only for those who "knowingly participate in the illegal drug market".

Thus, even under the existing language your Committee believes that no vicarious liability would exist. Nevertheless, to assure that important result specific language prohibiting the imposition of vicarious liability has now been added.

Your Committee has also noted an apparent typographical error in section -4(b)(2) and therefore the words "but only" have been inserted after the word "market" and before the word "if." That paragraph now reads: "A person who knowingly participated in the illegal drug market but only if:...." This section now makes it clear that market liability is limited by the three conditions enumerated in that paragraph.

Your Committee submits that the concern that a civil defendant could abuse the requirement that a user must abstain from illegal drug use during the pendency of the action does not withstand analysis. This is because in order to do so, such a defendant would have to seek and obtain an order of the court to impose such a discovery requirement. Rule 35 of the Hawaii rules of civil procedure requires that a physical examination of a party be ordered by a court only "for good cause shown". Your Committee believes that the judges of the circuit courts would not allow and become a party to the abuse that the public defender suggests. Your Committee believes that Rule 35 would be applied by the court to prevent such an abuse.

Your Committee has also amended section 2 of this bill by: (1) amending the definition of "participate in the illegal drug market" in section -2 to provide that this phrase does not include a distribution of an illegal drug unless the distribution is for value; and (2) amending section -4(b)(1) by adding the words "for value" immediately following the words "illegal drug". Your Committee has also added a new uncodified section to require the attorney general to review this bill in six years and to report back to the legislature in the following year.

Your Committee has further amended the bill to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 84, S.D.1, as amended by your committee, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 655     Judiciary on S.B. No. 431**

The purpose of this bill is restructure the law on harassment and harassment by stalking.

Specifically, this bill creates a new class C felony in aggravated harassment by stalking, treats all harassment by stalking cases as misdemeanors if there are no prior convictions, and broadens the scope of the petty misdemeanor offense of harassment to reach communications made in "offensively coarse language."

Under the present law repeated stalkings of the same person is treated as a misdemeanor; otherwise, it is a petty misdemeanor. This bill generally attempts to raise the degree of seriousness associated with these offenses: repeated stalkings of the same person changes from a misdemeanor to class C felony; petty misdemeanors become misdemeanors. Your Committee finds that this intended structure is not quite clear from the new language in this bill.

Furthermore, your Committee finds that the attempted expansion of harassment to prohibit "offensively coarse language" may prove to be overly harsh to the offender, and may be overturned by the courts as being unconstitutionally "vague" and producing an impermissible chilling effect on speech.

Your Committee has amended this bill by clarifying that aggravated harassment by stalking involves stalking of the same person, and by deleting the changes to petty misdemeanor harassment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 431, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 656     Judiciary on S.B. No. 447**

The purpose of this bill, as received by your Committee, is to require that original birth certificates and adoption decrees not be sealed unless at least one of the natural parents provides a written request to the department of health that it be sealed.

This bill further provides that if the department receives a valid request to seal the original birth certificate, the certificate, together with the certified adoption decree or abstract, is to be sealed and opened only by court order or when requested pursuant to sections 578-14.5 and 15, Hawaii Revised Statutes, relating to medical information on the natural parents of an adopted child and secrecy of proceedings and records, respectively. The bill also requires that the supplemental birth certificate in cases of adoption reflect the racial extraction of the adopted individual as appearing on or as apparent from the original birth certificate.

Upon further consideration, your Committee has restored this bill to its original form with several changes. As introduced, S.B. No. 447 essentially deleted the requirement that seals the original birth certificate and creates a falsified certificate of birth for adopted individuals. As introduced, S.B. No. 447 specifically:

- (1) Deleted the following requirements: that a new birth certificate be made for individuals who are adopted; that a supplementary certificate in the name of the adopted person be prepared by the department of health; that the supplementary certificate show the names of the parents as stated in the adoption decree on the supplemental certificate; and that the birth certificates be sealed;
- (2) Provided that, except when sealed by court order, the original birth certificate of an adopted individual is required to be made available only to the birth parents named on the certificate, the adopted individual, and the adoptive parents;
- (3) Included a presumption in favor of not sealing the original birth certificate, which may be overcome only by clear and convincing evidence establishing a compelling need to have the original birth certificate sealed in family court proceedings;
- (4) Required that upon receipt of a certified copy of the decree of adoption, the family court, rather than the department of health, was to issue a certificate of adoption containing the name of the adopted person, the person's racial extraction, and other information;
- (5) Required the certificate of adoption to be placed on file at the department of health with the adopted individual's birth certificate; and
- (6) Allowed the birth parents of the adopted individual to petition the family court to have the birth certificate sealed until the individual reached eighteen years of age, and added a presumption against sealing the certificate in any proceeding to seal it. This presumption was to be based on the adopted individual's inherent right to know his or her birth heritage, and could be overcome only by clear and convincing evidence establishing a compelling need to have the certificate sealed. An evidentiary hearing was also required in any proceeding to seal the birth certificate, in which the court was required to appoint a guardian ad litem to represent the adopted individual's interests; the order sealing the certificate was to be vacated at any time upon written request of the individual who petitioned the court to have the certificate sealed.

Your Committee has retained most of these provisions of S.B. No. 447, as introduced, but with the following changes:

- (1) In paragraph (2) above, the original birth certificate of an adopted individual may, rather than shall, be made available, to the birth and adoptive parents and to the adopted individual upon reaching the age of eighteen;
- (2) In paragraph (3) above, the presumption in favor of not sealing the original birth certificate may be overcome for good cause by filing a petition, rather than by clear and convincing evidence establishing a compelling need, to have the original certificate sealed;
- (3) In paragraph (6) above, either of the birth parents, rather than both birth parents, may petition the family court to have the birth certificate sealed until the individual reached eighteen years of age. The language stating that the presumption is based on the adopted individual's inherent right to know his or her birth heritage is deleted. The presumption may now be overcome for good cause in a petition filed before the family court, rather than only by clear and convincing evidence establishing a compelling need to have the certificate sealed. The order sealing the certificate is to be vacated at any time upon written motion, rather than request, by the individual who petitioned the court to have the certificate sealed; and
- (4) By making technical, nonsubstantive changes.

Your Committee finds that the original version of S.B. No. 447, as amended by your Committee, effectively addresses the outdated form of record keeping by the State, i.e., altering birth records and thereby creating false official documents. Your Committee believes that the creation of a falsified birth certificate demeans the dignity of the birth event for the adopted individual and the birth parents, and demeans the adoption process as well; in addition, the existence of this type of system is damaging to the adopted individual's identity development and may create unnecessary loyalty conflicts. The bill respects the right of adopted individuals to know their birth heritage from the date of birth, and thereby preserve their identity. Your Committee finds that this bill provides a remedy for an adopted individual seeking information about what most of us take for granted, by allowing the parties to the birth to have access to the original birth certificates. Your Committee further finds that this bill more fully promotes an informed decision-making process than S.B. No. 447, S.D. 1. Finally, your Committee believes that this bill is a positive improvement over existing law by protecting the interest of the adopted child while balancing the rights of other interested parties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 447, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 447, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

#### SCRep. 657 Judiciary on S.B. No. 487

The purpose of this bill is to permanently prohibit manufacturers and jobbers in the petroleum industry from operating retail gasoline outlets and to impose a \$10,000 civil penalty for violation.

Currently, the gasoline dealers law imposes a moratorium from July 31, 1993 to August 1, 1995, on manufacturers and jobbers from operating retail gasoline outlets. This bill amends the law to make the moratorium permanent and adds a new section to the law that imposes a \$10,000 civil penalty for each day of violation.

This measure is intended to protect the neighborhood gasoline stations who find themselves at a competitive disadvantage with the manufacturer-owned stations. However, the interest of the consumer needs to be balanced against that protection. The permanent moratorium, often referred to as permanent divorce, may hinder the free market concepts of competition and create legal issues concerning constitutional prohibitions.

Your Committee believes that an interim measure to continue the moratorium until August 1, 1997, is the best solution under the circumstances and that further considerations of the legal and consumer interests of permanent divorce be investigated.

Therefore, your Committee has amended this bill by:

- (1) Extending the date of the moratorium from August 1, 1995 to August 1, 1997;
- (2) Requiring the attorney general to issue an opinion at least twenty days prior to the convening of the 1996 regular session on whether permanent divorce would constitute a "taking" in violation of the Fifth Amendment of the United States and Hawaii constitutions and any other legal ramifications related to permanent divorce;
- (3) Extending the time limit for manufacturers and jobbers to find a replacement dealer from one hundred twenty to one hundred eighty days; and
- (4) Lowering the civil penalty for violation from \$10,000 per day to \$1,000 per day.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 658 Judiciary on S.B. No. 865**

The purpose of this bill is to exempt public entities of the State and the counties from liability for injuries caused by natural conditions of unimproved public land.

Specifically, this bill deems public beaches serviced by the government and public trails and pathways to be unimproved natural conditions of land.

Your Committee finds that as a matter of public policy, it is highly unreasonable and inequitable to expect the State and the counties to be responsible for all injuries occurring on unimproved public land, particularly along the miles and miles of shoreline. Such lands simply cannot be adequately policed day and night. Your Committee rejects any policy that would in effect make public entities strictly liable for all beach and watersport injuries. Such a policy would eventually compel public entities to seriously consider limiting public access to public beaches, trails, and parks.

Your Committee believes that this bill is necessary to strike an equitable balance between the privilege of private citizens to enjoy recreational public lands in a responsible manner and the duty of the government to take reasonable measures to protect citizens from harm.

Your Committee has amended this bill by specifying that the exemption does not affect the government's duty to warn against dangerous conditions or activities, nor does it protect the government for malicious or wilful actions. However, your Committee expressly states its intention that no greater duty to warn be placed on the government than that which presently exists at law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 865, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 865, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 659 Judiciary on S.B. No. 941**

The purpose of the bill, as received by your Committee, is to require financial institutions to submit reports of certain monetary transactions to the department of commerce and community affairs (DCCA).

Your Committee finds that criminal activities and networks divert millions of dollars from legitimate businesses in Hawaii. Your Committee believes that, to expose such activities, action by the State in scrutinizing financial transactions is necessary. Monitoring financial institutions' records will serve to alleviate the profitability of the drug business, thereby ridding the State of illegal enterprises that endanger the health, safety, and welfare of the public.

Your Committee amended the bill to transfer the financial and operational responsibility of the program to the department of the prosecuting attorney, in order to alleviate the DCCA of potential burdens resulting from the bill. The Honolulu prosecuting attorney testified in support of the amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Tam, Anderson).

**SCRep. 660     Judiciary on S.B. No. 944**

The purpose of the bill is to enact a new chapter on money laundering to provide a comprehensive strategy to combat the economic effects of money laundering, which is an integral element of criminal networks.

The continuous flow of money and property into illegal drug use requires a veil of legitimacy to avoid arousing suspicion. This apparent legitimacy is provided through money laundering efforts of financial advisors, lawyers, and others drawn to the illegal drug trade by the allure of quick, easy wealth.

Testimony was submitted in support of the bill by the Honolulu prosecuting attorney and the public defender, who had some concerns regarding the bill as introduced.

The bill repeals chapter 708, part XI, of the Hawaii Revised Statutes, and creates a class B felony when an individual knowingly deals in the proceeds of unlawful activity, makes property available to another for the purpose of furthering an unlawful criminal activity, knowingly conducts transactions that conceal or disguise illegal proceeds or transaction reporting requirements, and engages in money laundering as a business.

Under current law, there are numerous loopholes that can be used to launder illegally obtained money. The major loophole involves the requirement that the money laundering be conducted in a single transaction of \$5,000 or more. This allows money launderers to structure transactions so that they will not reach the \$5,000 threshold.

Your Committee finds that the bill expands the current law by making it illegal to knowingly transport, receive, or acquire property which are the proceeds of unlawful activity and by knowingly engaging in the business of conducting, directing, planning, organizing, initiating, financing, managing, supervising, or facilitating transactions involving property which was acquired through specified unlawful activity.

Your Committee acknowledges the concerns raised by the prosecuting attorney and the public defender regarding civil remedies and a threshold amount for transactions. After careful consideration, your Committee has amended the bill by deleting all references to civil penalties. Your Committee has further amended the bill by inserting a \$10,000 threshold amount for a transaction or series of transactions. This provision will prevent money launderers from structuring transactions that are \$10,000 or more into separate transactions to avoid the threshold amount.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 944, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Tam, Anderson).

**SCRep. 661     Judiciary on S.B. No. 1213**

The purpose of the bill, as received by your Committee, is to make it a class C felony to sell ammunition to a person under the age of eighteen.

Your Committee finds that Hawaii does not currently have a statute that explicitly prohibits the sale of ammunition to a minor, despite the fact that chapter 134-2, Hawaii Revised Statutes, prohibits the sale of firearms to persons under the age of twenty-one. Your Committee finds that it is important to have a state statute specifying the required age for purchase of ammunition, and the penalties for such violations, in addition to the federal laws prohibiting the sale of longgun ammunition to persons under the age of eighteen and handgun ammunition to persons under twenty-one.

Upon further consideration, your Committee amended the bill to increase the minimum age requirement from eighteen to twenty-one years, in accordance with suggestions from the Honolulu police department.

Your Committee also amended the bill to specify that a person must "knowingly" make a sale to a person under the age of twenty-one in order to violate the provision of the bill, as recommended by the public defender.

Your Committee believes that this bill promotes good preventative measures at a time when violence with the use of firearms is on the rise in Hawaii. Your Committee heard oral testimony from the Hawaii Rifle Association in support of the bill's intent and in agreement with the recommendation of the public defender.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, McCartney, Anderson).

**SCRep. 662     Judiciary on S.B. No. 1286**

The purpose of the bill is to clarify that a former legislator or employee is prohibited from assisting or representing a person or business to the extent that the assistance or representation is in the form of personal communication.

Your Committee finds that current state law prohibits a former state employee or legislator from assisting or representing anyone in matters involving official action by the person's former agency, for twelve months after leaving a state position.

Your Committee also finds that under the law, there is no provision to define "assist any person or business or act in a representative capacity". In addition, "state agency" is not explicitly defined.

Your Committee finds that the amendments to section 84-18 to define the statutory terms are necessary to avoid the potential for misinterpretation and misunderstanding of the applicability and scope of the law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1286 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 663      Judiciary on S.B. No. 1288**

The purpose of the bill, as received by your Committee, is to require public officers and employees to file a long-form financial disclosure statement each odd-numbered year with the state ethics commission. Additionally, this bill would allow short-form disclosures only in an even-numbered year.

Your Committee can appreciate that regular filing of the long-form disclosure statement will reduce confusion for both the individual filing as well as the person reviewing the information provided. A public official's financial interests can sometimes be difficult to determine when the filings are a combination of short-form and long-form disclosure statements.

Your Committee, however, agrees with the Committee on Agriculture, Labor and Employment that short-form disclosures should be allowed in even-numbered years. There appears no reason to require long-form disclosures when there have been no changes in the financial interests of the public official involved.

Your Committee has amended this bill to require financial disclosure statements from members of boards and commissions, whose terms of office are longer than one year and whose functions are not solely advisory.

Your Committee believes that board and commission members are entrusted with the authority to profoundly affect the well-being of the public through their rulemaking and quasi-judicatory functions. Questions concerning their impartiality, integrity, and fairness are therefore a matter of serious public concern. These questions can be partially answered by public disclosures of these officials' financial interests and holdings.

Your Committee understands that under the current law these officials are required to file financial disclosure statements with the state ethics commission, but these statements are not treated as public records. Your Committee notes that the disclosure statements of other elected and appointed officials, such as legislators, department heads and their deputies, board of education members, office of Hawaiian affairs trustees, and various appointed administrators are deemed public records. These public officials all hold positions which, like that of board and commission members, require the trust of the public. Your Committee finds that the policy behind requiring other public officials to make their financial statements public records should also govern board and commission members.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1288, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1288, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 664      Judiciary on S.B. No. 1364**

The purpose of this bill is to propose a constitutional amendment to provide for the consent of the senate to the retention of judges.

Your Committee finds that the retention of judges is of such importance that greater public involvement should be required. Your Committee also finds the extension of senate confirmation to the retention process to be logically compelling. At present, senate confirmation is limited to the initial appointment to office, when the candidate has no record in that office. Community input generated by the senate confirmation process is equally important at the retention stage, once a judge has established a record of service on the bench. Accordingly, your Committee finds that the confirmation process should be extended to the retention of judges.

The bill, as originally received, used a previous version of the constitutional language and your Committee has amended the bill to reflect the correct language.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1364, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (McCartney, Anderson).

**SCRep. 665      Judiciary on S.B. No. 1527**

The purpose of the bill is to amend chapter 712, Hawaii Revised Statutes, to create an additional class A felony offense for the intentional and knowing transport of any dangerous, harmful or detrimental drugs into or out of the state, or from one island to another.

Your Committee finds that Hawaii has the potential for becoming the drug distribution gateway between the East and the West and believes that the bill will assist the Honolulu police department's campaign against illicit drugs.

Your Committee finds that the current law already provides imprisonment for up to twenty years for a class A felony, and that the addition of the transporting of illegal drugs as a class A felony is both appropriate and necessary.

The bill, as originally received, would have provided for a mandatory minimum term of imprisonment of five years. Upon further consideration, your Committee has amended the bill by deleting subsection (2), and treating this offense as a class A felony.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1527, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 666     Judiciary on S.B. No. 1617**

The purpose of the bill is to clarify the powers of the civil rights commission to investigate discrimination complaints.

Your Committee finds that a clarification of the commission's investigatory powers is necessary to avoid any misinterpretation of the applicability and scope of the statute.

Your Committee is aware that the bill specifies the separation of the commission's enforcement and adjudication functions. The bill grants specific authority for investigatory procedures by assigning sole investigatory responsibility and discretion to the executive director, allowing access to the parties' premises, and providing reimbursement rights to the commission for legal expenses.

Your Committee understands that the bill also addresses the judicial role in enforcement by extending the time for temporary relief orders and deleting the requirement for establishing reasonable cause. The reasonable cause determination can only be done after a full investigation.

Although the need for clarification is recognized, your Committee is concerned that the commission's powers is overly broad in scope, as stated in the statute.

Therefore, your Committee amended the bill by adding language in section 2 to narrow the focus of the commission's powers in respect to its investigations of complaints.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1617, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1617, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

**SCRep. 667     Judiciary on S.B. No. 1698**

The purpose of the bill is to require one member of the board of trustees of the office of Hawaiian Affairs (OHA) to reside on the island of Molokai or Lanai and represent Molokai, and one to reside on the island of Kauai or Niihau and represent Kauai.

Your Committee finds that persons living on Lanai and Niihau find it burdensome to become candidates for OHA's board of trustees unless they move to another island or run at-large. Allowing persons to live on Lanai or Niihau and seek seats on Molokai and Kauai, respectively, will allow the flexibility necessary to overcome such a burden.

Your Committee received testimony in support of the bill from OHA and the Association of Clerks and Election Officers.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1698 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 ((Chumbley, Matsuura, Anderson).

**SCRep. 668     Ways and Means on S.B. No. 1201**

The purpose of this bill is to authorize the director of finance to invest public funds in mutual fund portfolios comprised of bonds or obligations issued or guaranteed by the United States government.

Your Committee finds although state law authorizes the director of finance to invest public funds in bonds and obligations of the United States government and its agencies, investments in mutual fund portfolios comprised of the same

securities is prohibited. Your Committee finds that investments in mutual fund portfolios of this type will enhance yield without compromising the standards of security offered by direct obligations of the federal government.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1201 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Solomon, Taniguchi).

**SCRep. 669 Ways and Means on S.B. No. 1262**

The purpose of this bill is to specify that the debt instruments issued by the Secondary Market Services Corp.--Hawaii are issued for a public purpose, by a public instrumentality.

Specifically, this bill exempts the interest income on those instruments from state and county tax laws, except laws on inheritance, transfer, and estate taxes.

Your Committee finds that the Secondary Market Services Corp.--Hawaii ("SMS-Hawaii") was created and authorized to acquire educational loan notes from primary lending institutions with funds raised through the issuance of bonds, notes, and other obligations. A 1992 amendment exempted from the federal tax laws the interest income payable by SMS-Hawaii to its investors. Inadvertently, no similar exemption was made from state and county tax laws.

Your Committee fully recognizes that granting an exemption now may limit the State's tax base at a time of expected fiscal and budgetary shortfalls. However, your Committee is also fully committed to the national policy of equal educational opportunity for all students. This policy can be facilitated by ensuring that Hawaii's students and parents always have ready access to low interest education loans. Through a series of financial interrelationships between students, their banks, a secondary market, and creditors of the secondary market, an ample supply of loan funds from primary lenders can be ultimately ensured by increasing the attractiveness of the secondary market's obligations to investors. These obligations are made all the more attractive if exempted from state and county tax laws, as well as federal tax laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Solomon, Taniguchi).

**SCRep. 670 Ways and Means on S.B. No. 358**

The purpose of this bill is to exempt from the general excise tax law amounts received from governmental agricultural crop disaster assistance programs.

The agriculture industry in Hawaii is exceptionally vulnerable to natural disasters. Fortunately, there are governmental resources that provide assistance to farmers so that they may return to pre-disaster status. The funds that are received from these government resources in the wake of a natural disaster are similar in substance to amounts received under casualty and property insurance policies for a trade or business. Those funds are already exempt under section 237-24.7(6), Hawaii Revised Statutes.

Your Committee finds that farmers who receive funds from governmental assistance sources as a result of a natural disaster should be treated similarly to other businesses and these amounts should be exempt from the general excise tax law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 358 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 671 Ways and Means on S.B. No. 942**

The purpose of this bill is to transfer the administration of school security guards and attendants from the department of education to the department of public safety. The bill also establishes a training program for school security attendants.

Specifically, this bill:

- (1) Transfers the administration of:
  - (A) Contractual (school) security guard services to the department of public safety on January 1, 1996; and
  - (B) School security attendants to the department of public safety on July 1, 1995;

- (2) Establishes within the department of public safety, and describes the minimum contents of, a program for the initial and ongoing training of school security attendants formerly under the jurisdiction of the department of education;
- (3) Provides for the transfer of contractual security attendant services, and records and equipment from the department of education to the department of public safety; and
- (4) Appropriates unspecified sums to the department of public safety for the transfer of the foregoing employees, the hiring of specialty instructors, the purchasing of training videos and equipment, the printing of materials and purchasing of supplies, and the conduct of refresher training.

Your Committee finds that all schools should provide their students with a nurturing environment that is conducive to learning. Hawaii's public schools need additional assistance to stem the occurrence of unlawful conduct such as assault and harassment, department of education-prohibited conduct such as class cutting, and school-prohibited conduct such as the possession of contraband. This assistance can be provided in the form of more intensely trained and supervised school security attendants, and more intensely administered contractual security guard services. Your Committee also finds that the degree of intensity required to provide this additional assistance exists in the department of public safety--an agency whose primary function is the preservation of law and order rather than the education of students.

Your Committee has amended this bill by:

- (1) Specifying that the administration of school security attendants is to be transferred from the department of education to the department of public safety effective January 1, 1996;
- (2) Making the initial and ongoing training programs applicable to all school security attendants, rather than only those attendants formerly under the jurisdiction of the department of education;
- (3) Clarifying that the provisions relating to the transfer of personnel from the department of education to the department of public safety are applicable to school security attendants rather than contractual school security services; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 942, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 672 Ways and Means on S.B. No. 1804**

The purpose of this bill is to prevent vacated positions in community hospital and correctional facilities; in programs that are funded entirely with federal moneys; and certain administrative positions, from being frozen or eliminated in accordance with the early retirement incentive law.

Your Committee finds that Act 212, Session Laws of Hawaii 1994:

- (1) Allows thirty per cent of the positions vacated in each department to be refilled by the head of the department to ensure the continued ability of the department to carry out its public purpose;
- (2) Requires thirty per cent of the positions vacated in each department to be held vacant for fiscal year 1995-1996 and assigned to a statewide personnel pool until June 30, 1996; and
- (3) Requires forty per cent of the positions vacated in each department to be eliminated.

Your Committee also finds that:

- (1) The refilling of vacated positions in community hospitals and correctional facilities is in the public interest and for the public health, safety, and general welfare of the State;
- (2) The freezing or elimination of vacated positions in programs that are funded entirely with federal moneys serves no useful public purpose since the savings generated by these positions do not accrue to the general fund; and
- (3) The refilling of vacated positions occupied by department heads, executive officers, deputies or assistants to department heads, and the administrative director of the State is necessary to ensure the continued ability of state government to carry out its public purpose.

Your Committee further finds that more stringent requirements are needed to curb the abuse of sick leave benefits by government employees and restore the public's confidence in its servants.

Your Committee has amended this bill by:

- (1) Adding provisions to:

- (A) Reduce, from five consecutive working days to two, the length of time after which an employee is required to obtain a licensed physician's certificate for absences due to illness;
- (B) Make the foregoing requirement a non-negotiable item in any collective bargaining agreement; and
- (C) Cause the foregoing requirement to supersede all inconsistent provisions in collective bargaining agreements in effect on the effective date of this bill;

and

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1804, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1804, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 673 (Majority) Ways and Means on S.B. No. 1847**

The purpose of this bill is to specify that wages do not include service charges collected in lieu of tips.

Specifically, this bill redefines tips, which are generally not deemed to be wages, to include service charges collected in lieu of tips.

Additionally, this bill amends the law on minimum wages and maximum hours in relation to tipped employees. Specifically, this bill provides that for tipped employees whose wages are set under a bargaining agreement, the hourly wage may not be deemed to be increased on account of tips, to meet minimum wage requirements, unless there is clear written agreement by the bargaining parties.

Furthermore, this bill provides that in computing time-and-a-half for overtime pay, the regular rate of pay of a tipped employee whose hourly wage is deemed to be increased on account of tips cannot be set at less than the applicable minimum wage rate. Also, tips cannot be credited to the employee's overtime compensation.

Your Committee supports the general aim of this bill to ensure that tipped employees are adequately protected under the State's wage and hour laws. However, your Committee has concerns that treating service charges as tips involves a confusion of concepts. Whereas a tip is a gratuity or a gift, given to an employee at a customer's discretion; a service charge, imposed by an employer on a customer, cannot be considered a gift or gratuity.

Your Committee has amended this bill by deleting the proposed changes to treat service charges as tips, and to further clarify the prohibition against crediting tips against employees' overtime compensation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 10. Noes, 1 (Liu). Excused, none.

#### **SCRep. 674 (Majority) Ways and Means on S.B. No. 1233**

The purpose of this bill is to: (1) financially regulate health maintenance organizations (HMOs) and mutual benefit societies that operate as nonprofit medical indemnity or hospital associations; and (2) provide for rate regulation of mutual benefit societies.

Your Committee finds that HMOs in the State are not currently subject to regulation by state law as are mutual benefit societies that operate as medical indemnity or hospital associations like the Hawaii Medical Service Association. Managed care systems, such as those exemplified by HMOs, have been proposed as a cost containment approach to managing the high cost of medical care. In view of continuing high costs, the number of HMOs is expected to increase both nationally and in Hawaii. Regardless of any expected increase, a significant number of Hawaii residents are already receiving medical care from HMOs in the State.

Your Committee therefore finds that it is prudent for the protection of the public health and welfare to review the financial soundness of all existing and prospective HMOs especially because they are not now subject to state financial regulation.

Your Committee has amended this bill by:

- (1) Adding the power to offer point-of-service products consisting of in-plan and out-of-plan covered services obtained from certain providers;
- (2) Deleting a conflicting deadline of June 1 (as opposed to an already required deadline of March 1) for filing of audited financial statements of HMOs in section -5(a)(1) of the new chapter on page 13;

- (3) Clarifying the applicability of the new chapter to mutual benefit societies that operate as nonprofit medical indemnity or hospital associations pursuant to sections 432:1-305(c) and 432:1-403, Hawaii Revised Statutes; and
- (4) Inserting a new section 4 amending Act 190, Session Laws of Hawaii 1994, in order for the current amendments to section 431:2-307 in this bill to be made.

Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style including necessary re-numbering of sections of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1233, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1233, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, 1 (Liu). Excused, none.

**SCRep. 675 Ways and Means on S.B. No. 645**

The purpose of this bill is to provide public access to government information and notices through the State's information network, electronic bulletin boards, fax, and other means of communication. Also provided by this bill is dissemination and access to public procurement information, invitation for bids, legal notices, and the like.

Your Committee finds that the intent of this legislation is to benefit the citizens by providing them with up-to-date information about government business above and beyond the usual print medium. While the motivation for this transition is noble, the State is now experiencing severe budget shortfalls which will be felt by all state government agencies. Therefore, while supporting the general purpose of this bill, your Committee notes that it must be made subject to the availability of funds.

Your Committee has thus amended the effective date section of this bill to allow it to become effective only after the governor issues an executive order affirming the availability of sufficient funds to implement the provisions of this Act and based on funds which are savings resulting from not having to use traditional print media, savings from postage, and not paying the usual advertising costs that are incurred as a result of publishing the information and notices in the present manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 645, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 645, S.D. 3.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 676 Ways and Means on S.B. No. 1806**

The purpose of this bill is to transfer the information and communications services division (ICSD) from the department of budget and finance (B&F) to the department of accounting and general services (DAGS), and to transfer the responsibility for post-audits from DAGS to B&F.

In addition, this bill requires DAGS to provide centralized information management and processing services; coordination in the use of all information processing equipment, software, facilities, and services in the executive branch of the State; and consultation and support services in the use of information processing and management technologies to improve the efficiency, effectiveness, and productivity of state government programs.

Your Committee finds that implementation of this bill will result in greater efficiency and accountability in state government. Your Committee finds that information processing, which is now increasingly widespread and more economical, has become a general service that is best administered by DAGS. In addition, with current technology and distributed processing environments, communication services can no longer be separated from information processing services, and must be integrated and coordinated. During this period of fiscal constraint, your Committee finds that this bill will help to more effectively streamline the State's administrative functions.

Your Committee has amended this bill to delete provisions that would have transferred various audit functions from DAGS to B&F.

Your Committee has further amended this bill to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1806, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1806, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 677 (Majority) Ways and Means on S.B. No. 516**

The purposes of this bill are to establish and appropriate funds for a comprehensive educational assessment and accountability system within the department of education.

Specifically, this bill:

- (1) Requires the role, scope, and function of the educational assessment and accountability system to include the monitoring and accounting of student, staff, schools, and overall system performance;
- (2) Requires the assessment and accountability system to be designed, developed, and established so as to support the development and field testing of prototype assessment measures that monitor progress toward student performance standards, and the implementation of the federal Goals 2000 legislation;
- (3) Requires the assessment and accountability system to be designed and developed to improve the evaluation of the merit and worth of efforts of education personnel in a fair, consistent manner; and
- (4) Appropriates an unspecified sum to the department of education for the establishment of the assessment and accountability system.

Your Committee finds that a comprehensive educational assessment and accountability system is necessary to provide information about schools' performance for public accountability, inform educational policy development, and improve educational quality by influencing local practice and improvements efforts. Like most parents of public school children, your Committee is anxious to know what is happening in Hawaii's public schools, why this might be happening, and whether or not this is adequate.

Your Committee realizes that the foregoing questions cannot be answered until the State:

- (1) Establishes a statewide system of educational assessment and accountability to systematically examine the health and quality of Hawaii public education;
- (2) Institutes public accountability through periodic reports on public education to the community-at-large (parents, businesses, taxpayers); and
- (3) Informs educational policymakers and educators about the condition, performance, and progress of public education in Hawaii.

Consequently, this bill appropriates funds to establish a statewide system of educational assessment and accountability.

Because of the State's uncertain financial picture at the moment, your Committee has not made a specific appropriation to the department of education for the establishment of the assessment and accountability system. It is the intent of your Committee to revisit this matter later during the session, when the status of the State's finances are more certain.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 516, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, 1 (Liu). Excused, none.

#### **SCRep. 678 Ways and Means on S.B. No. 1635**

The purpose of this bill is to provide the Hawaii state public library system with administrative flexibility in the management of its personnel and fiscal resources.

Specifically, this bill:

- (1) Allows the state librarian to:
  - (A) Reallocate existing vacant positions throughout the Hawaii state public library system until June 30, 1998;
  - (B) Directly authorize and implement internal reorganization actions;
  - (C) Create temporary positions as necessary, subject to specific condition;
  - (D) Authorize position classifications; and
  - (E) Conduct recruitment;
- (2) Allows the Hawaii state public library system to retain up to five per cent of any appropriation at the close of a fiscal year and prohibits the funds retained from lapsing until June 30 of the first fiscal year of the next fiscal biennium;
- (3) Repeals the law requiring the board of education to give preference to persons born in the State in the selection of local librarians for exchange with other states, countries, or territories; and

- (4) Makes permanent the fee for enhanced (library) services program and the library fee for enhanced services special fund, which would have been repealed on July 1, 1996.

Your Committee finds that this bill will enable the Hawaii state public library system to better serve the public, and make more efficient and effective use of its personnel and fiscal resources. Your Committee also finds that this bill will enable the public library system to accommodate anticipated (future) demands on its resources in an orderly and proficient manner.

Your Committee has amended this bill by:

- (1) Adding specific carryover provisions for the Hawaii state public library system since the public library system, at least for budget purposes, is not part of the department of education;
- (2) Specifying that the governor is allowed to modify the strict provisions of this bill to prevent the impairment of the State's obligations to the holders of bonds issued by the State, in addition to preventing the loss of federal aid;
- (3) Clarifying that the state librarian may directly authorize and implement internal reorganization actions, create temporary positions as necessary, authorize position classifications, and conduct recruitment until June 30, 1998; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1635, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 679 Ways and Means on S.B. No. 109**

The purpose of this bill is to appropriate funds to the department of Hawaiian home lands to develop an incremental plan to place native Hawaiians on Hawaiian home lands and also to authorize the director of finance to issue general obligation bonds for infrastructure improvements on Hawaiian home lands.

Your Committee finds that the lack of infrastructure on much of Hawaiian home lands is the most significant impediment to placing more native Hawaiians on these lands. Further, the need for a plan is uppermost when there are so many persons on the waiting list. With the proper funding and planning, the department can move ahead with its mission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 109 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 680 Ways and Means on S.B. No. 1336**

The purpose of this bill is to reauthorize the Hui 'Imi and establish it as the Hui 'Imi advisory council in the office of the lieutenant governor.

Your Committee finds that the Hui 'Imi has done an admirable job in producing its two volume report on coordination of public and private services available to Hawaiians in the areas of education, economic development, housing, employment, medical and health, legal, cultural, and social services, as requested by the legislature. The Hui 'Imi is composed of eighteen public and private sector organizations whose unique level of cooperation, knowledge, and commitment makes it an invaluable resource. The continued involvement and input from Hui 'Imi will be even more important during the implementation phase of its recommendations. Your Committee therefore finds that making the Hui 'Imi permanent by establishing the Hui 'Imi advisory council within the office of the lieutenant governor is appropriate and will provide a substantial benefit to the State.

Your Committee has amended the bill by:

- (1) Changing the appropriation to an unspecified amount for discussion purposes;
- (2) Requiring the governor, instead of the lieutenant governor, to make appointments to the Hui 'Imi advisory council; and
- (3) Clarifying that the funds to be matched by the non-Hui 'Imi members be equal to the total amount appropriated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1336, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1336, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 681 Ways and Means on S.B. No. 1636**

The purpose of this bill is to extend the repeal date of the alternative homestead general leasing program of the Hawaiian Homes Commission Act, 1920, as amended, from December 31, 1995 to December 31, 1998.

Your Committee finds that the alternative homestead general leasing program which was established by Act 75, Session Laws of Hawaii, 1986, allows lessees greater flexibility in financing improvements on the land, in obtaining the financing and construction of off-site and on-site leasehold infrastructure improvements, and in passing on their leasehold interest to others such as a spouse and children.

Your Committee also finds that while the governor's approval of Act 75 was obtained on April 22, 1986, consent by the United States Congress has not yet occurred so extending the repeal date of this program is necessary for continuance of the option for lessees.

Your Committee has amended this bill to refer the amending language not to Act 75 but to Section 516 of the Hawaiian Homes Commission Act, 1920, as amended, in section 2, and adding a severability clause as section 3, which provides that if consent of Congress is required, then that section only is to take effect upon consent, but the effectiveness of the remaining sections would not be affected. Remaining sections have been renumbered.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1636, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1636, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 682 Ways and Means on S.B. No. 1637**

The purpose of this bill is to designate the department of Hawaiian home lands as a native Hawaiian housing authority for purposes of qualifying for housing assistance from the United States Department of Housing and Urban Development (HUD).

Your Committee finds that Hawaii's congressional delegation has proposed legislation that would enable native Hawaiians to qualify for various federal housing programs and services currently available to other native American groups. These HUD programs would be administered by a native Hawaiian housing authority established under state law to develop low-income housing for native Hawaiians. By designating the department of Hawaiian home lands as the native Hawaiian housing authority, it would qualify to administer the HUD programs.

Your Committee has amended the bill to restore existing statutory language inadvertently omitted and to reflect correct Ramseyer format and for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1637, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1637, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 683 Ways and Means on S.B. No. 1844**

The purpose of this bill is to make appropriations for capital improvement projects for the department of Hawaiian home lands.

Your Committee finds that the department of Hawaiian home lands has been unable to fulfill its obligations to the Hawaiian people due to a lack of funds for infrastructure and development. The appropriations would help to improve lots on Kauai and Hawaii for the benefit of native Hawaiians there.

Your Committee has amended this bill by deleting the amounts of the appropriations for purposes of continuing discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1844, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1844, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 684 Ways and Means on S.B. No. 161**

The purpose of this bill is to authorize chartered student organizations of the University of Hawaii to expend public funds for certain legal services.

Your Committee has amended this bill by deleting its contents entirely and replacing it with provisions to exempt the University of Hawaii from the procurement code for the purchase of travel arrangements for its intercollegiate athletic programs.

Your Committee finds that the University of Hawaii's athletic department is often faced with exigencies for which adherence to procurement code requirements would be impractical and self-defeating. Travel needs often materialize with only a few days notice, and these needs are frustrated by procedural delays caused by the procurement code. In particular, the sites of end-of-the-season tournament play are generally not made known to the university until a few days before the match or game.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 161, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 161, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fernandes Salling).

#### **SCRep. 685 Ways and Means on S.B. No. 634**

The purpose of this bill is to give the University of Hawaii more oversight and control over the research corporation of the University of Hawaii ("RCUH").

Specifically, this bill increases the membership of the board of directors of the RCUH ("board") from nine to ten, ensures that half of the membership is comprised of regents from the University of Hawaii board of regents, and changes the position of the president of the University of Hawaii from an ex officio voting member of the board to the president of RCUH.

Your Committee finds that these changes are necessary to implement the recommendations of a recent state auditor's report. The report found that the RCUH operates with little accountability and oversight by the University of Hawaii. The report recommended that the university exercise more control and oversight over the corporation. Otherwise, federal funds for research contracts and grants could be jeopardized.

Additionally, this bill makes certain housekeeping amendments to eliminate possible ambiguities regarding the powers of the RCUH. Specifically, this bill clarifies that the RCUH may enter into contracts with the university and other state agencies, that the exemption from certain hiring and fund disbursement requirements applies when RCUH carries out research and training projects for the university and other state agencies, and that the special funds set up by RCUH may be used for research and training projects of the university and other state and county agencies.

Your Committee has amended this bill by making a technical, nonsubstantive amendment on page 1, line 17.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 634, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 634, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fernandes Salling).

#### **SCRep. 686 Ways and Means on S.B. No. 987**

The purpose of this bill is to make permanent those provisions allowing the University of Hawaii to retain, until June 30 of the following fiscal year, not more than five per cent of any appropriation of general funds for operating purposes at the close of each fiscal year.

This bill also makes permanent those provisions:

- (1) Allowing the governor to suspend, for not more than twelve months in any one fiscal year, any allowance or exception conferred upon the University of Hawaii by specific provisions of the budget law;
- (2) Exempting the University from the quarterly allotment process prescribed by the budget law; and
- (3) Specifying that carryover appropriations of the university remaining unexpended and unencumbered at the close of any fiscal year, shall not lapse and be returned to the general fund.

Your Committee finds that the foregoing provisions will be repealed on July 6, 1996 pursuant to section 12 of Act 281, Session Laws of Hawaii 1994. The University of Hawaii needs additional time to integrate the carryover provision with existing fiscal flexibility provisions conferred upon the university, and utilize these carryover and flexibility provisions to its advantage.

Your Committee has amended this bill by:

- (1) Extending the sunset (i.e., repeal) date of the foregoing provisions from July 6, 1996 to June 30, 2000;
- (2) Adding statutory material included in section 12 of Act 281, Session Laws of Hawaii 1994, that was inadvertently omitted in this bill; and
- (3) Making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 987, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 987, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 687 Ways and Means on S.B. No. 937**

The purpose of this bill is to grant greater fiscal autonomy to the University of Hawaii.

Specifically, this measure establishes a special fund for the receipt of student tuition and fees and authorizes the board of regents to adopt tuition schedules to achieve certain levels of self-support through tuition revenues alone. A higher level of self-support must be reached through the tuition of nonresident students than through that of resident students.

This measure also repeals the tuition waiver provisions and vests exclusive authority to grant such waivers in the board of regents, thereby augmenting the university's efforts at self-support.

Additionally, this bill requires the board of regents to adopt benchmarks for guiding the development of the university and applying these benchmarks to the annual budget requests and tuition schedules.

Your Committee believes that this measure is necessary to strike a proper balance between granting the university some fiscal autonomy, while ensuring equal educational opportunities, and developing a vision for the greater societal role of the university in the next century among this nation and the Pacific rim nations.

Your Committee has made some technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 937, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 937, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 688 Ways and Means on S.B. No. 1008**

The purpose of this bill is to expand the permitted use of moneys in the works of art special fund and appropriate funds for various cultural and arts projects.

Specifically, this bill allows moneys in the works of art special fund to be used for costs related to:

- (1) The development of a culture and arts electronic database;
- (2) The establishment of performing and visual arts facilities; and
- (3) Art education.

In addition, this bill:

- (1) Appropriates \$250,000 for a consortium of public and private agencies to establish a statewide information clearinghouse and develop an electronic database for arts and cultural activities, sports events, ethnic festivals, and other special events unique to Hawaii;
- (2) Appropriates \$150,000 for a consortium of public agencies to conduct a feasibility study on developing performing, media, and visual arts facilities;
- (3) Appropriates \$150,000 for the department of accounting and general services to develop a master plan for the Mabel Smythe building to allow for such multi-purpose uses as dramatic performances, poetry readings, and other cultural activities;
- (4) Appropriates \$200,000 for the department of accounting and general services to provide funding for:
  - (A) Arts resource specialists in the new learning support centers being developed for each school complex;
  - (B) An interdisciplinary arts course and follow-up methods courses in the separate arts in the University of Hawaii college of education; and
  - (C) In-service training courses for teachers seeking to integrate arts into the general school curriculum.

While your Committee finds that the foregoing cultural and arts projects are essential elements in a flourishing multi-cultural, tourism-based, island economy, it also believes that state government must do more work with fewer resources during these troubled financial times. Your Committee believes that state government will find innovative ways to implement these cultural and arts projects if they are truly essential to Hawaii's economy.

Your Committee also finds that the use of moneys in the works of art special fund for the development of a culture and arts electronic database and art education is inconsistent with the intent and purpose of the special fund, which is capital improvement oriented.

Your Committee has amended this bill by:

- (1) Deleting the provisions allowing moneys in the works of art special fund to be used for costs related to the development of a culture and arts electronic database, and art education;
- (2) Deleting all provisions relating to:
  - (A) The establishment of the information clearinghouse and the development of the electronic database; and
  - (B) The provision of funding for arts resource specialists, the interdisciplinary arts course and follow-up methods courses in the separate arts, and in-service training courses for teachers;
- (3) Designating the department of accounting and general services as the lead agency in the consortium of public agencies required to conduct the feasibility study on developing performing, media, and visual arts facilities;
- (4) Requiring all funding to:
  - (A) Conduct the feasibility study on developing performing, media, and visual arts facilities; and
  - (B) Develop the master plan for the Mabel Smythe building;
 to be provided from the works of art special fund;
- (5) Requiring the director of finance to transfer the sum of \$1,000,000 from the works of art special fund to the state educational facilities improvement special fund on July 1, 1995; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1008, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1008, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fernandes Salling).

#### **SCRep. 689 Ways and Means on S.B. No. 1358**

The purpose of this bill is to restructure financial support for the Hawaii opportunity program in education program.

Specifically, this bill temporarily suspends deposit of the first \$1,000,000 of university tuition funds collected into the Hawaii opportunity program in education ("HOPE") special fund until the end of the 1996-1997 fiscal year. Additionally, this bill appropriates funds for HOPE statewide early education program staff positions and requires HOPE to award an increased number of scholarships.

Under the present law deposits must be made for a ten-year period until the end of fiscal year 1999-2000. Your Committee supports the goal of HOPE to benefit financially needy ethnic minority students that are underrepresented in higher education and the professions in Hawaii. For this reason, your Committee agrees with your Committee on Higher Education, Culture, and Arts that the original version of this bill to discontinue all remaining years' deposits into the special fund is undesirable. The current budget crisis facing the State does not justify such an untimely termination of funding for this program.

Your Committee agrees with the present version that a proper balancing approach requires only the temporary suspension of deposits for the upcoming fiscal biennium. However, your Committee further believes that because of the budget situation, any present increase in either general funding or in foregone revenue, through increased scholarship grants, is not prudent at this time.

Your Committee has amended this bill by eliminating both the appropriation for the early education program staff positions and the requirement for the awarding of additional scholarships.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1358, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1358, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fernandes Salling).

#### **SCRep. 690 Ways and Means on S.B. No. 1398**

The purpose of this bill, as received by your Committee, is to transfer income and capital gains from the State's \$2,000,000 contribution to the State of Hawaii endowment fund on a quarterly basis to the state foundation on culture and the arts for the production of music by an Oahu based symphony orchestra.

While your Committee agrees with the intent of this bill to support an Oahu based symphony orchestra, your Committee believes that the income and capital gains from the endowment fund should be used only to pay for musicians' salaries rather than for "the production of music".

Although your Committee has retained the amendment to the bill in senate draft 1 providing that the beneficiary of the fund is to be an Oahu based symphony orchestra as determined by the state foundation on culture and the arts, your Committee is nevertheless concerned that this provision may exceed the scope of the Honolulu symphony trust. Section 40-88, Hawaii Revised Statutes, provides in part that the State of Hawaii endowment fund is "established as a separate fund of the Honolulu symphony trust created by the trust agreement dated December 5, 1986", suggesting that the moneys in the fund are to be used for the apparent purpose of the trust agreement, i.e., for the operation of the Honolulu symphony. Your Committee has not reviewed the trust agreement, however, and recommends that this issue be studied further to ensure that the bill is legally sound.

Your Committee has therefore amended this bill by:

- (1) Limiting payments out of the endowment fund to the payment of musicians' salaries;
- (2) Deleting language which provided that the income and capital gains from the fund are to be from "the \$2,000,000 contributed by the State" and inserting "the fund" in place of that language; and
- (3) Making other technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1398, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1398, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Fernandes Salling, Kawamoto).

**SCRep. 691 Ways and Means on S.B. No. 1467**

The purpose of this bill is to establish a systemwide information technology services special fund to replace the systemwide computer services special fund for the University of Hawaii systemwide consortium.

Your Committee finds that the special fund created in this bill will provide moneys to modernize the university's audio, video, communications, information, and computer systems. The new fund, which is funded by user fees, expands the scope of the systemwide computer services special fund by authorizing the disbursement of moneys for information technology infrastructure development purposes.

Your Committee has amended this bill by transferring \$2,000,000 from the works of art special fund established under section 103-8.5, Hawaii Revised Statutes, to the special fund being created in this bill. Your Committee has specified that the funds are to be used exclusively for infrastructure purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1467, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1467, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 692 Ways and Means on S.B. No. 1624**

The purpose of this bill is to increase the interest rate for loans made under the state higher education loan fund ("SHELF") and to increase the expenditure ceiling for loan collection and administrative expenses.

Specifically, this bill increases the interest rate from three per cent to five per cent simple interest. The higher rate is a more realistic loan rate, comparable to those of the federal student loan programs.

Under present law, the University of Hawaii is authorized to expend from SHELF up to one per cent of the total loans outstanding, for collection expenses. This limit is reported to be inadequate to meet increasing annual expenses. Therefore, this bill raises the limit to two per cent, to provide the university with necessary, additional funds. Your Committee believes that during these times of fiscal austerity, the University of Hawaii should have the necessary resources to ensure repayment of student loans to enable future students to obtain necessary financing for their educations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1624 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 693 Ways and Means on S.B. No. 1626**

The purpose of this bill is to authorize indefinitely the deposit of overhead funds into the University of Hawaii housing assistance revolving fund.

Specifically, this bill repeals the termination date for the deposit of such funds into the revolving fund that is scheduled for the end of fiscal year 1995-1996.

Your Committee recognizes that the revolving fund, which assists eligible university faculty in obtaining housing, is a vital faculty recruitment and retention tool, made all the more so because under the State's early retirement incentive program as many as 268 faculty members have filed notices of intent to retire. Furthermore, any strategy to attract new faculty members to the university must take into account the unattractiveness of Hawaii's high cost of living.

However, your Committee believes that a more prudent and tailored approach to address what appears to be immediate, short-term hiring needs is to postpone the termination date of deposits rather than to eliminate it altogether. Accordingly, your Committee has amended this bill by changing the termination date from the end of the 1995-1996 fiscal year to the end of the 1997-1998 fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1626, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1626, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 694 Ways and Means on S.B. No. 1627**

The purpose of this bill is to establish a University of Hawaii graduate application revolving fund.

This bill authorizes the board of regents to establish charges for processing graduate applications. Revenues from the charges are deposited into the revolving fund to pay for the costs of processing the applications.

Your Committee finds that the university, unlike its peer institutions, does not charge an application fee. It processes about six thousand seven hundred applications a year, about three thousand five hundred from non-U.S. applicants. The cost of processing each application is about \$41. Of this amount, non-personnel costs are about \$15.

Your Committee believes that some measure of fiscal autonomy should be granted to the university so that it may at least recapture some of the costs of processing those applications. Your Committee further agrees that the board of regents should be able to set differential application fees in order to recapture the true economic costs associated with different groups of applications.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1627 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 695 Ways and Means on S.B. No. 458**

The purpose of the bill is to assist the former employees of Waialua Sugar Company to meet their housing payments and to provide housing grants.

Your Committee finds that the closure of the Waialua Sugar Company has impacted significantly upon the lives of the workers formerly employed by the sugar operation. Foremost upon the list of concerns of these families and individuals is the uncertainty surrounding the fate of the operation's plantation housing. Currently, many employees and their families live in dwellings owned by the company. With the closing of the company, however, many of these families may face the possibility of losing their accommodations. This bill appropriates funds to address some of the housing concerns of the displaced workers of Waialua Sugar Company.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 696 Ways and Means on S.B. No. 459**

The purpose of this bill is to appropriate funds to the housing finance and development corporation to develop and implement strategies to provide affordable housing for former Waialua Sugar Company employees.

Your Committee finds that currently, many employees of Waialua Sugar Company live in homes owned by the company that are provided to them at nominal cost. With the anticipated closure of the company, there is concern that this housing will no longer be available. Your Committee finds that many former employees may be required to find replacement housing at a time when rents are high and there is a severe shortage of affordable housing.

Your Committee finds that this bill will allow the State to explore strategies to preserve housing in the plantation camps. In particular, this bill allows the corporation to explore such strategies as using its bond authority to leverage federal and other funds, and assisting in the organizational development and financial feasibility assessment of a project to preserve plantation housing at Waialua Sugar through the establishment of a mutual housing association.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 459, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, None. Excused, 1 (Fukunaga)

**SCRep. 697 Ways and Means on S.B. No. 550**

The purpose of this bill is to allow the housing finance and development corporation to plan, develop, construct, and finance educational facilities and related infrastructure ancillary to the needs of its housing projects.

Specifically, this bill:

- (1) Allows the corporation to make loans or grants to cover planning, engineering, feasibility studies, and other initial costs of commencing projects to provide educational facilities and related infrastructure ancillary to the needs of its housing projects;
- (2) Requires the board of land and natural resources to transfer the title to 47.183 acres of land in Kapolei, Oahu to the corporation for the development of a high school; and
- (3) Requires the corporation to use all means within its authority and at its disposal to plan and design the foregoing high school facility and the necessary infrastructure to support it.

Your Committee finds that in September 1992, the actual enrollment in Hawaii's public schools was 176,923 students. By the year 2003, it is estimated that the public schools' enrollment will be approximately 191,000 students. Translated into classroom requirements, the projected increase in enrollment means six hundred forty additional classrooms will be needed. The department of education's present inventory consists of 9,431 classrooms--8,440 of them permanent and 991 of them portable. In 1992, there was already a shortage of seven hundred classrooms, mainly for supplemental programs. If the public schools' enrollment continues to grow as expected, the shortage will be approximately 1,340 classrooms by the year 2003. Statistics indicate that there is a severe shortage of classrooms in the central and leeward departmental school districts.

Your Committee also finds that the housing finance and development corporation could assist the department of accounting and general services in meeting the present and future classroom needs of the department of education. The development of affordable housing on the Ewa plain of Oahu will necessitate the construction of new educational facilities and related infrastructure in communities, such as Kapolei. This bill is necessary to keep pace with the increasing demand for classrooms and shifting demographics.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 550, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 550, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 698 Ways and Means on S.B. No. 596**

The purpose of this bill is to provide funds to the housing finance and development corporation for a home construction and improvement loan program for the residents of Maunaloa, Makiki Heights, Oahu.

Your Committee finds that residents of this area of Makiki Heights have long term leases with the department of land and natural resources and have been unable to qualify for loans to improve their property because they do not own their land and because the subdivision is an unimproved one which does not meet county standards.

Your Committee finds that the provisions of this bill which imposes certain basic conditions on the program such as a maximum loan amount of \$50,000, and a range of interest based on the borrower's income, will help the subdivision residents upgrade their living quarters while having them meet certain responsible borrower guidelines. In the meantime, other conditions permit the relaxation of certain requirements, such as not requiring appraisals and mortgage insurance for loans, and exempting the Maunaloa subdivision from all state and county subdivision and housing development standards.

Eventually, the goal is to improve infrastructure in this area so that this subdivision can meet state and county subdivision and housing development standards. To that end, this bill authorizes discussion between the department of land and natural resources and the office of Hawaiian affairs (OHA) to discuss the possible transfer of the subdivision to OHA which might be better able to finance the costs of improvements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 596, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 699 Ways and Means on S.B. No. 1686**

The purpose of this bill is to clarify certain provisions for homeless facilities programs authorized under the Homeless Families Assistance Act.

This bill clarifies that homeless facilities programs are not subject to state procurement code. The Hawaii housing authority is authorized to establish rules for eligibility and also granted authority to establish when exceptions to these eligibility rules should be made based on circumstance. Your Committee finds that the conditions of homeless families vary widely. Providing the housing authority with some leeway regarding eligibility and procurement will allow them to meet the needs of those who participate in these programs. An audit in each fiscal biennium period of any provider agency should be sufficient to monitor the programs and ensure compliance.

This bill also provides for increases in homeless shelter stipends beginning July 1, 1996, and for each year thereafter based on standards established by rule. The stipend for emergency shelters is increased from \$10 to \$13 per bed unit and from \$350 to \$400 for transitional shelters that are studios or single-room occupancy units. Larger transitional shelter unit stipends will be set pursuant to standards established by rule.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1686, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 700 Ways and Means on S.B. No. 1699**

The purpose of this bill is to increase the authorized amount of tax exempt revenue bonds to be issued for the Hula Mae single family mortgage purchase program.

Specifically, this bill increases the authorized amount by an additional \$500,000,000 from \$1,275,000,000 to \$1,775,000,000.

The housing and finance development corporation (HFDC) is authorized to issue these mortgage revenue bonds and to make funds available through mortgage lenders at affordable rates to low- and moderate-income households in Hawaii purchasing their first homes. Since 1980, almost six thousand five hundred such Hawaii households have received assistance from the mortgage loan program to achieve their dream of owning their own homes. Your Committee finds that to date, the HFDC has issued revenue bonds in the aggregate amount of \$1,225,055,000, therefore leaving only \$49,945,000 remaining available to the HFDC and private developers.

Your Committee finds that the additional \$500,000,000 is necessary in light of the ever growing demand for affordable mortgages for first-time home buyers and the HFDC's aggressive housing production schedule.

Your Committee has amended this bill to correct a typographical error incorrectly citing Act 711 to Act 171, Session Laws of Hawaii 1991, and re-inserting an intermediate amendatory Act 224, Session Laws of Hawaii 1984.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1699, S.D. 1, as amended herein, and recommends that it pass Third Reading as S.B. No. 1699, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 701 Ways and Means on S.B. No. 1701**

The purpose of this bill is to authorize the housing finance and development corporation to transfer moneys from the rental assistance revolving fund to the downpayment loan program special fund and the rental housing trust fund.

Your Committee finds that although the downpayment loan program revolving fund was created in 1992, thus far, no appropriations have been made by the legislature to capitalize the fund. Your Committee further finds that because of the high demand for rental housing construction funding, the rental housing trust fund is currently on the verge of exhausting its resources. The flexibility to transfer funds will enable the housing finance and development corporation to use available funds more efficiently and effectively.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1701, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 702 Ways and Means on S.B. No. 1892**

The purpose of this bill is to extend the authority of the housing finance and development corporation to issue revenue bonds to finance the acquisition of the Queen Emma Gardens Apartment Complex.

Your Committee finds that Act 258, Session Laws of Hawaii 1994, authorized the housing finance and development corporation to issue revenue bonds during fiscal year 1995-1996 to purchase the Queen Emma Gardens Apartment Complex. The intent of the law was to develop a feasible method of controlling the rate at which rents have increased at the Queen Emma Gardens Complex since the death of Robert E. Black, the complex's owner, in 1987. Although the corporation initially deemed the purchase of the complex to be unfeasible, your Committee finds that additional deliberations between the corporation and the parties concerned may ultimately result in the development of a solution to preserve the affordability of rental units within the apartment complex.

This bill enables the corporation to continue to exercise the powers and the duties authorized under Act 258, Session Laws of Hawaii 1994 for an additional year 1996-1997.

Your Committee has amended this bill by making a few technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1892, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1892, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 703 Ways and Means on S.B. No. 1910**

The purpose of this bill is to appropriate funds to plan the transfer of the Del Monte camp at Poamoho and Kunia from pineapple plantation housing to collective ownership.

Your Committee finds that while plantation housing has provided benefits to both the workers living in this housing and to the company owning the housing, due to major economic downturns faced by sugar and pineapple plantations in recent years, resulting in the closure of several plantations, plantation housing has increasingly been viewed as a liability for the companies that own and operate them. Frequently, these companies are unable to maintain the camps in a reasonable manner, infrastructure has been allowed to deteriorate, and houses are substandard, in various states of disrepair, and do not meet minimum code requirements.

Your Committee agrees that funds are needed to provide for the transfer of the Del Monte camp at Poamoho and Kunia to collective ownership, including formation of a nonprofit corporation, subdivision of the camp, evaluation of existing infrastructure and future needs, and training of resident leadership.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1910, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1910, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 704 Ways and Means on S.B. No. 68**

The purpose of this bill is to reduce fraud, improve services to clients, and improve overall efficiency of the delivery of service and assistance to recipients of various public assistance programs.

Specifically, this bill appropriates a blank amount for the department of human services to study the feasibility of implementing in Hawaii an electronic benefit transfer (EBT) system for payment of certain public assistance benefits, including the development of a request for proposals and an advanced planning document.

Your Committee finds that thirty-five other states have already implemented an EBT system. Their success may soon lead to a federal mandate to require the states to institute such a system. Under an EBT system, EBT cards are issued to program recipients with their allotted amounts encoded into the cards. The only way to redeem food stamps would be directly through a store, eliminating unqualified third parties from trafficking in food stamps at a discount. Allotted amounts for other programs such as aid to families with dependent children would work in a similar way whereby amounts can be redeemed only by the use of a personal identification number (PIN) associated with the EBT card.

Your Committee finds that an EBT system is a possible method of reducing fraud and improving the efficiency of Hawaii's public assistance programs. A feasibility study would help to identify the costs and potential cost savings resulting from such a system.

Your Committee has amended this bill to make various technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 68, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 68, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 705 Ways and Means on S.B. No. 90**

The purpose of this bill is to provide funds for the operation of a hostel program and a drop-in center for the chronically-homeless and mentally-ill.

Your Committee finds that although public and private sources of funding exist for residential programs such as the Safe Haven project, funds for hostel programs, drop-in centers, and clinic expansion projects are not widely available. Your Committee finds that it is critical that mentally-ill individuals be reached during the early stages of the homelessness cycle to ensure the development of a trusting relationship and the delivery of appropriate care. The programs and projects funded in this bill will ensure the delivery of such services to these individuals.

While it agrees with the intent of this bill, your Committee finds that further discussion is necessary to determine the level of funding necessary to support this program. In this regard, your Committee has amended this bill by replacing the proposed appropriations with blank amounts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 90 as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 90, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 706 Ways and Means on S.B. No. 382**

The purpose of this bill is to extend for another year the community-based teenage health clinic demonstration project, otherwise known as the youth outreach project.

Additionally, this bill specifically appropriates funds for the health care services provided by the youth outreach project.

Your Committee finds that the demonstration project was originally authorized in 1990. The original sunset date of 1993 was extended to 1995. The purpose of the project was to establish a clinic, with an outreach program, in Waikiki to improve health care for street youth, those teenagers with no responsible adult supervision, i.e., homeless youths. The fifteenth legislature believed there was a great need to provide a range of services, particularly primary and preventive health care, to homeless teenagers in a supportive and accessible environment.

Your Committee further finds that there are at least two hundred homeless teenagers living in Waikiki. They are the products of physical, emotional, or sexual abuse. Their survival strategies involve theft, prostitution, and drug dealing. Unwanted pregnancies, drug abuse, and sexually transmitted diseases await in their future. At this time the outreach project is the only program of its kind in the state offering health and medical services and case management and social services to them.

Your Committee made some technical, nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 382, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 707 Ways and Means on S.B. No. 423**

The purpose of this bill is to appropriate funds to be matched, dollar for dollar, by private contributions for the expansion of the Head Start program.

Your Committee finds that the positive impact of early childhood education, by developing language skills and instilling motivation and self-esteem, on an individual's lifelong achievement and satisfaction has been well documented. The federally funded Head Start program, which incorporates an array of comprehensive services including educational opportunities for low-income children and their families, has been highly successful in enhancing the ability of pre-kindergarten children to learn, adapt, and succeed in school. However, due to the successful outcomes it generates, the program's enrollment is at capacity, and large numbers of children, many of whom are poor or from non-English speaking homes and who would benefit the most from the program, are being turned away because of limited resources.

Accordingly, your Committee finds that the continued support for the Head Start program is vital to the physical, emotional, and educational development of Hawaii's children. Your Committee acknowledges, however, that, in view of economic realities, further expansion of the program will require a firm commitment of resources from both the State and the private sector.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 423 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 708 Ways and Means on S.B. No. 966**

The purpose of this bill is to increase the amount appropriated for chore services to assist elders and disabled persons.

Specifically, this bill appropriates an additional \$1,563,535 in fiscal year 1995-1996 and an additional \$2,620,250 in fiscal year 1996-1997, in addition to the amounts already appropriated in the executive budget request, as submitted to the legislature. Your Committee finds that the provision of chore services allows elders and the disabled to live independently in the community.

Your Committee has amended this bill by changing the appropriated amounts to blank amounts for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 966, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 966, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Bunda, Tanaka).

**SCRep. 709 Ways and Means on S.B. No. 1082**

The purpose of this bill is to require the departments of health and human services to develop less restrictive rules regulating community-based adult day health centers to encourage their expansion as a viable long-term care alternative.

This bill charges these departments with the responsibility to adopt rules which would unify licensing requirements, scope of services, programs, and so on, of both adult day health and adult day care centers. In addition, the departments are required to work together to ensure equality in terms of medicaid reimbursement for intermediate care-level patients.

Your Committee finds that adult day health centers are regulated by the department of health while adult day care centers are regulated by the department of human services. In the meantime the needs of some of Hawaii's elders regarding either or both types of services may not be sufficiently coordinated to allow for medicaid compensation to freestanding adult day health centers because rules governing freestanding adult day health centers do not cover intermediate care facility (ICF) clients. Only facilities with dual licenses can qualify for medicaid compensation if services are provided to ICF level clients. If properly executed, the actions required by this bill will correct these types of gaps for the benefit of ICF level clients and facilities which provide freestanding adult day health care.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Bunda, Tanaka).

**SCRep. 710 Ways and Means on S.B. No. 1269**

The purpose of this bill is to appropriate funds to establish a forestry camp for rehabilitating youth.

More specifically, this bill establishes a minimum security forestry camp in an isolated rural location to house fifteen to twenty youths who have been committed by the family court to the office of youth services after adjudication for certain kinds of criminal activity. The idea would be to provide these youths with a daily regimen ranging from academic study to forestry conservation and community service. After progressing through three program levels successfully, the youths would participate in a five-day journey program, similar to a rite of passage.

Your Committee finds that providing less restrictive correctional alternatives for youths who have been committing crimes or engaging in other forms of anti-social behavior can be beneficial to the youths themselves and to the State. It is less expensive to the State than incarceration in such facilities as the Oahu youth correctional facility, and for the youth, it provides training, develops self-worth, and a sense of accomplishment. Your Committee also finds that participating youths will continue to receive outreach and tracking for at least six months after leaving this forestry camp program to monitor and supervise the youth's return to the community.

Your Committee has amended this bill by leaving the specific dollar appropriation blank until more information becomes available on the State's fiscal situation. Your Committee also deleted language that had been bracketed in the previous draft, indicating an intention to eliminate that language.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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. No. 1269, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Bunda, Tanaka).

**SCRep. 711 Ways and Means on S.B. No. 1484**

The purpose of this bill is to allow more time to obtain the necessary medicaid waiver for the Maluhia waitlist demonstration project which provides an alternative to institutional long-term care.

Act 165, Session Laws of Hawaii 1994, authorized the five-year Maluhia waitlist demonstration project which aims to establish a new category of adult residential care home or community-based residences which are qualified to serve nursing facility level clients. Section 2(f)(2) of the Act required the department of human services to apply to the United States Health Care Financing Administration (HCFA) for a necessary medicaid waiver for the use of medicaid funds for the project. The waiver renewal package is currently being reviewed by the HCFA. Act 165 is to be repealed on June 30, 1996 which does not allow enough time for the review to be completed.

This bill, therefore, extends the repeal date of Act 165 two more years to June 30, 1998 in order to allow enough time for the waiver to be approved and for the department of human services to plan for phase II of the QUEST program. The bill also requires the earlier repeal of Act 165 should federal matching assistance be terminated before June 30, 1998.

Your Committee has amended this bill to replace language inadvertently deleted in the date "July 1, 1994".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 712 Ways and Means on S.B. No. 1683**

The purpose of this bill is to create greater consistency in the law relating to general assistance (GA) by requiring all recipients who are impaired to pursue treatment.

Your Committee finds that only mentally impaired GA recipients are required to pursue treatment while physically impaired GA recipients are not. This bill would require physically impaired, in addition to mentally impaired GA recipients to accept and pursue treatment and to be reevaluated at least annually. The bill also removes the requirement for the department of human services to accept applications from psychiatrists and psychologists to conduct mental impairment examinations and to assign them on a rotating basis. A mentally impaired person is no longer allowed to choose the psychiatrist or psychologist providing out-patient treatment. In addition, the bill allows the examining psychiatrist or psychologist to provide the treatment.

Your Committee supports this measure to create greater consistency in applying the general assistance law, especially in light of the possibility of curbing continuing fraud and the achieving of potential cost savings that may result.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 713 Ways and Means on S.B. No. 1684**

The purpose of this bill is to clarify the authority of the department of human services to secure a lien against real property, other than a residence, for any overpayment of assistance benefits made to an individual.

This bill is a housekeeping bill to apply real property liens only on households who own property other than their residence and where there is an overpayment. There must be a debt to the department before a lien should be enforced.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1684 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 714 Ways and Means on S.B. No. 1685**

The purpose of this bill is to continue support for non-medicaid-eligible disabled, chronically ill, and frail elders through the provision of personal care services.

Act 209, Session Laws of Hawaii 1988, authorized personal care services for recipients who are not eligible for medical assistance, in addition to medicaid program recipients, on a sliding scale fee basis. Act 164, Session Laws of Hawaii 1991, extended the original sunset date for the provision of personal care services from June 30, 1991 to June 30, 1995. This bill further extends that sunset date two more years to June 30, 1997.

Your Committee finds that this program provides an alternative to more costly institutional care, allows the most unrestrictive environment possible for recipients which, in turn, allows them to remain living independently in the community.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1685, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1685, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 715 Ways and Means on S.B. No. 1687**

The purpose of this bill is to transfer the authority and certain duties of the foster care system from the department of human services (DHS) to the office of youth services (OYS).

Specifically, authority over child placing organizations, child caring institutions, and foster boarding homes, including licensure, setting of standards, and investigative authority are placed with OYS. The bill also:

- (1) Requires criminal history record checks for operators and employees of these organizations and homes and allows the OYS to deny certification;
- (2) Removes the authority to establish, maintain, and operate receiving homes for the temporary care of neglected children from the DHS and gives that authority to the OYS and adds a definition of "neglected child"; and
- (3) Transfers all relevant rights, powers, functions, duties, and employees of the DHS relating to child placing organizations, child caring institutions, and foster boarding homes to the OYS while preserving the employment status and benefits of these employees.

Your Committee believes that this consolidation would greatly streamline the foster care system in Hawaii and result in a more efficient and responsive licensing process as well as a stronger and more integrated foster home network.

Your Committee has made conforming amendments to sections 321-11.2, 571-32.1, 571-62, 578-1, 578-2, and 578-8, Hawaii Revised Statutes, in light of the transfer of authority to the office of youth services. Your Committee has also made technical, nonsubstantive amendments for purposes of clarity and style, including necessary re-numbering of sections of this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1687, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1687, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 716 Ways and Means on S.B. No. 1688**

The purposes of this bill are to adjust the minimum amounts of state supplemental payments for adult residential care homes and to specify the exact amounts of payments for these facilities.

Specifically, this bill:

- (1) Increases the minimum amounts of state supplemental payments for level of care (LOC) II and LOC III in type I and type II adult residential care homes;
- (2) Increases the minimum amount of state supplemental payment for LOC I in type I adult residential care homes;
- (3) Decreases the minimum amount of state supplemental payment for LOC I in type II adult residential care homes; and
- (4) Specifies the exact amounts of state supplemental payments for LOC I, LOC II, and LOC III in type I and type II adult residential care homes.

Your Committee finds that this bill reflects the current minimum amounts of state supplemental payments for adult residential care homes required by federal regulations. This bill also reflects the exact amounts of current state supplemental payments for LOC I, LOC II, and LOC III in type I and type II adult residential care homes. Your Committee also finds that this bill will not require the appropriation of additional funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1688 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 717 Ways and Means on S.B. No. 1689**

The purpose of this bill is to establish the statewide council on independent living, which is presently attached to the department of human services for administrative purposes, as a "free standing" executive agency.

Your Committee finds that this bill is necessary to comply with the 1992 and 1993 amendments to the Federal Rehabilitation Act of 1973, as amended, which prohibit the statewide council on independent living from being established as an entity within another state agency, including the designated state unit (i.e., the department of human services). The receipt of federal funds for the provision of independent living services to individuals with severe disabilities is conditioned on the State's compliance with the foregoing amendments.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1689, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1689, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 718 Ways and Means on S.B. No. 1950**

The purpose of this bill is to appropriate funds for the office of youth services to provide youth services through purchase of service agreements.

Your Committee finds that the office of youth services coordinates a multi-agency, community-based youth programs and provides alternative recreation programs for youths to joining youth gangs. The office's youth gang response system has received national recognition, and Hawaii has been recognized as a leader in correctional reform.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1950, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1950, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 719 (Majority) Ways and Means on S.B. No. 27**

The purpose of this bill is repeal the limits on the amount of medical services excise tax credit an individual can claim against their income tax liability.

The medical services excise tax credit was established to provide relief to taxpayers who incurred large health care expenses by allowing a credit against tax liability for the general excise tax paid for medical expenses. The tax credit has a complicated application that provides relief in the amount of four per cent of qualified medical expenses paid by the taxpayer. The cap was included to limit the relief for expenses up to \$5,000 for individuals or \$10,000 and \$15,000 for those over sixty-five years of age and blind taxpayers over sixty-five. This bill repeals all caps related to the amounts of allowable medical services excise tax credits but retains the provisions requiring the qualified medical expenses to be subject to the four per cent general excise tax.

Testimony in opposition to this measure espouses the repeal of this tax credit for several reasons. Experienced tax practitioners found the credit to be complicated to explain to clients and difficult to calculate based on the criteria that qualified medical expenses be subject to the general excise tax law. Since many medical expenses are exempt from the general excise tax law, there is difficulty in determining the exact amounts eligible for the credit.

Your Committee heard testimony in support of the bill to the effect that the cap defeats the purpose of the tax credit by limiting the amount taxpayers may deduct. Removing that cap allows taxpayers to realize the full relief intended.

Your Committee believes that this type of relief cannot be continued, especially during the current economic situation. Therefore, your Committee has amended this bill by moving up the repeal date of the medical services excise tax credit one year, from December 31, 1996, to December 31, 1995, and modifying the effective date of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 27, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 27, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, 1 (Liu). Excused, 5 (Fernandes Salling, Fukunaga, Kanno, Solomon, Tanaka).

**SCRep. 720 Ways and Means on S.B. No. 258**

The purpose of this bill is to appropriate \$9,000,000 to the department of accounting and general services for renovations to Kona community hospital.

Your Committee finds that the state health planning and development agency, the Hawaii subarea health planning council, and the Big Island health planning committee have all identified the full funding and implementation of the Kona community hospital's phase II renovation, which includes six acute psychiatric service beds, as an urgent, current, unmet need. Your Committee also finds that this renovation is necessary to comply fully with a 1986 court settlement, which

required Kona community hospital to provide certain psychiatric services; and a 1989 certificate of need, which included six acute psychiatric service beds at the hospital.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated to an unspecified amount; and
- (2) Making two technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 258, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 258, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 721 Ways and Means on S.B. No. 588**

The purpose of this bill is to authorize the issuance of special purposes revenue bonds to finance the costs of improvements and asbestos removal at the Maunalani Nursing Center and to refinance the cost of earlier renovations.

Your Committee finds that the Maunalani Nursing Center provides skilled nursing and intermediate care services to the people of the State. The center serves patients with coverage under medicare, medicaid, and private providers. This bill will enable the center to carry out the improvements and renovations necessary, including asbestos removal, at the nursing facility.

Your Committee has amended this bill to lapse the appropriation to issue the special purpose revenue bonds on June 30, 1998 because your Committee does not believe the authorization should be for an indefinite period.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 588, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 588, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 722 Ways and Means on S.B. No. 880**

The purpose of this bill is to create a state office of rural health in the University of Hawaii at Hilo as a partnership between the University and the department of health.

Specifically, the program is to:

- (1) Establish and maintain an information clearinghouse;
- (2) Coordinate rural health care activities;
- (3) Identify rural health care support programs and provide technical assistance; and
- (4) Help recruit and retain health care providers for underserved rural areas.

The bill also grants the chancellor of the University of Hawaii at Hilo and the director of health certain powers to implement the program.

Your Committee finds that although rural health care concerns are important, it is also important that federal funding continue to be available so that the State does not bear the entire burden. Consequently, your Committee has amended this bill to specify that passage of this bill be contingent on the continued availability of federal funding to support the office. Language has also been inserted to the effect that should federal funding become unavailable after the effective date, the office will terminate. Your Committee has also made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 880, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 723 Ways and Means on S.B. No. 1022**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Kapiolani Health Care System.

This bill also extends the sunset provision in the special purpose revenue bond law which authorizes the issuance of special purpose revenue bonds to assist not-for-profit health care facilities.

Your Committee finds that as a leading provider of health care services in the State, the Kapiolani Health Care System is unquestionably qualified to receive the assistance proposed under this bill. The special purpose revenue bond method of financing is the most effective method of interest expense savings for the system. The savings realized by the Kapiolani Health Care System through the utilization of special purpose revenue bond proceeds should result in the generation of numerous benefits to the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1022, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 724 Ways and Means on S.B. No. 1028**

The purpose of this bill is to ensure that persons who are disabled and substance abusers and who also receive general assistance (GA) payments do not use their payments for drugs.

Specifically, this bill requires payments to GA recipients who are also disabled and have a primary diagnosis of substance abuse to be paid through a representative payee to be designated by the department of health (DOH). This bill also requires one per cent of moneys appropriated under HMS 204 in the General Appropriations Act of 1995 to be transferred to the DOH in each of the 1995-1996 and 1996-1997 fiscal years to fund the use of representative payees.

Your Committee believes that it is not reasonable to hope that GA recipients who are also substance abusers will exercise sufficient restraint in using their welfare payments for proper uses and not for illegal drugs. A representative payee system where the representative payee is not a friend or relative of the addicted recipient will also help to ensure that the addicted recipient receives the appropriate substance abuse treatment and counseling.

Your Committee has amended this bill by deleting the transfer of one per cent of moneys under HMS 204 and replacing it with the transfer only of an amount that is necessary to cover the costs of funding the representative payee system. Your Committee also recommends approval of this transfer only on the condition that the amount transferred, in the aggregate, is deducted proportionally from each recipient's GA payment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1028, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1028, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 725 Ways and Means on S.B. No. 1086**

The purpose of this bill is to appropriate \$2,200,000 to the department of accounting and general services for the hardening of the Wilcox Memorial Hospital building to allow it to function during emergencies.

Your Committee finds that Wilcox Memorial Hospital is the leading, centrally-located hospital on the island of Kauai, and that the hospital plays a vital role in the well-being of the Kauai community. During times of disaster, however, the magnitude and scope of services demanded of the hospital increase tremendously. Although the hospital needed to function at one hundred per cent capacity with maximum efficiency during hurricane Iniki, it experienced the loss of its water, sewer, air conditioning, and communication systems. The hospital also sustained heavy damage to its windows, doorways, and roofs, and more than eighty patients had to be relocated within the hospital during the storm. At times, the hospital had no water or the water the hospital did have was unsafe.

Your Committee finds that the hardening of the Wilcox Memorial Hospital building to allow it to function during emergencies is in the public interest and for the public health, safety, and general welfare of the State.

Your Committee has amended this bill by:

- (1) Clarifying that the foregoing appropriation is a grant-in-aid for Wilcox Memorial Hospital;
- (2) Changing the sum appropriated to an unspecified amount; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1086, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 726 Ways and Means on S.B. No. 1159**

The purpose of this bill is to appropriate funds to provide the Kula and Hana communities on Maui full-time emergency medical services.

Your Committee finds that the Kula and Hana areas of Maui receive only part-time emergency medical services where ambulances are often not able to make timely responses to emergency calls when time is of the essence. According to the department of health, the Kula ambulance unit operates only ten hours a day from 8:00 a.m. to 6:00 p.m. According to the state health planning and development agency, the Hana area has been served until recently with on-premises ambulance staff only from 8:00 a.m. to 5:00 p.m. on weekdays and from 8:00 a.m. to 12:00 noon on Saturdays. The Hana medic 6 unit is also the only Maui unit which does not provide advanced life support and is not staffed with at least one mobile intensive care technician and one emergency medical technician.

For purposes of discussion, your Committee recommends passage of this bill with a blank appropriation amount. Your Committee has made only technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1159, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 727 Ways and Means on S.B. No. 1245**

The purpose of this bill is to decrease the size of the Hawaii state coordinating council on deafness and the commission on persons with disabilities.

Specifically, this bill:

- (1) Reduces the membership of the Hawaii state coordinating council on deafness from twenty one to thirteen persons;
- (2) Repeals the provisions:
  - (A) Requiring the council to consist of (i) seven representatives of state or county agencies, and (ii) seven members of the public who have an interest in deaf, hard-of-hearing, or deaf-blind persons; and
  - (B) Requiring council members who are certified or locally screened interpreters to also be (i) deaf, hard-of-hearing, or deaf-blind, or immediate family members of deaf, hard-of-hearing, or deaf-blind persons, or (ii) members of the public who have an interest in deaf, hard-of-hearing, or deaf-blind persons;
- (3) Reduces the number of council members who may be certified or locally screened interpreters from four to two persons;
- (4) Requires the council to consist of at least one resident from each of the counties;
- (5) Specifies that seven council members constitute a quorum to conduct business, and that a concurrence of the majority of the members of the quorum is necessary to validate any act of the council;
- (6) Reduces the size of the commission on persons with disabilities from twenty-three voting and nonvoting members to nine voting members;
- (7) Requires (A) all nine members of the commission to be appointed by the governor, and (B) the commission to consist of at least five, rather than nine, persons with disabling conditions, or parents or guardians of the same;
- (8) Repeals the provisions (A) requiring the directors of health, human services, labor and industrial relations, human resources development, and transportation; the comptroller; the superintendent of education; and the president of the University of Hawaii, or their representatives, to be ex officio nonvoting members of the commission, and (B) allowing only nongovernmental members to be elected chairperson of the commission; and
- (9) Specifies that five, rather than eight, members of the commission constitutes a quorum to do business.

Your Committee finds that this bill will streamline the operations of the Hawaii state coordinating council on deafness and the commission on persons with disabilities. Your Committee also finds that decreasing the size of the council and the commission will enable each to function more effectively and efficiently.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1245, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1245, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 728 Ways and Means on S.B. No. 1410**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to finance the development of a medical waste incineration and disposal facility.

Your Committee finds that the special purpose revenue bonds authorized in this bill will enable the development of a medical waste incinerator facility to facilitate the proper treatment and disposal of infectious and injurious wastes. Medical wastes, including infectious and injurious wastes generated by hospitals, medical clinics, laboratories, and other health care providers, have been increasing in volume in recent years. While certain wastes are treated through sterilization, other wastes must be incinerated. Your Committee finds that the medical waste incineration and disposal facility will serve the public by providing a safe means for the disposal of these wastes.

Your Committee has amended this bill to include a specific finding that the activity and facilities of Pacific Controls, Inc., constitute a "project" under part V of chapter 39A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1410, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1410, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 729 Ways and Means on S.B. No. 1461**

The purpose of this bill is to afford persons with developmental disabilities and mental illness currently admitted to Waimano training school and hospital the least restrictive environment in which they can live by moving away from institutionalization in a public facility to privately provided community-based support and services.

This bill requires all programs and services currently provided at the Waimano training school and hospital to be privatized by June 30, 1998. However, the bill also allows the department of health (DOH) to provide interim services should private services prove inadequate. The DOH is also required to convene a panel within thirty days of the effective date of the Act to develop a plan for the provision of these private services. The bill further requires the DOH to maximize its funds as matching funds for medicaid programs as necessary and as possible and restricts one hundred per cent state-funded services only to those who are not medicaid-eligible for waiver services and other federally reimbursed programs. Finally, the bill repeals certain applicable sections of the Hawaii Revised Statutes relating to the Waimano facility, to be effective on January 1, 1998.

Your Committee finds that the department of health should provide direction and that its role is more appropriately an administrative one rather than as a direct service provider. It should coordinate and monitor and evaluate goals and services. Your Committee believes that this bill will result in better services to persons with developmental disabilities and mental illness in the least restrictive setting through privatization.

Your Committee has amended this bill by:

- (1) Adding a new section 1 amending section 26-13, Hawaii Revised Statutes relating to the DOH's responsibilities with regard to the Waimano facility, to be effective on January 1, 1998;
- (2) Amending section 11 to:
  - (A) Repeal section 333F-10 in addition to section 333F-9 (with regard to admittance to the Waimano facility) so that these persons may not own, possess, or control firearms, to be effective on January 1, 1998; and
  - (B) Move and re-number this section as section 2 of the bill;
- (3) Clarifying in section 2 of the bill (now section 4) that the panel is to be convened not later than August 1, 1995, rather than thirty days after the effective date of the Act in order to promote greater certainty for planning purposes, yet enabling the panel to be convened as quickly as possible;
- (4) Deleting section 16 of the bill which repealed section 333F-13, Hawaii Revised Statutes, and amending parts of it instead as a new section 10. Repeal of section 333F-13 would have removed liability from the parent or guardian for the support of any person receiving services under chapter 333F, including persons receiving private, community-based services;
- (5) Adding a new section 14 to amend section 571-50, Hawaii Revised Statutes, relating to modification of support and visitation decrees for children in order to conform to the closing of the Waimano facility, to be effective on January 1, 1998;
- (6) Adding a new section 22 to repeal section 560:5-312, Hawaii Revised Statutes, relating to powers of a guardian to admit a person to the Waimano facility. Section 560:5-312 also refers to sections in chapter 333, which was repealed in 1987. This section is to be effective upon approval of the Act;
- (7) Adding a new section 23 to amend Act 178, Session Laws of Hawaii 1990, which repeals on June 30, 1995, the development and maintenance of respite services in the community for persons with developmental disabilities or mental retardation contained in section 333F-2, Hawaii Revised Statutes, which is being amended in what is now section 4 of the bill;
- (8) Amending the last section of the bill to make effective on January 1, 1998, the relevant sections of the bill relating to the closure of the Waimano facility (sections 1, 2, and 14 through 21);
- (9) Making technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1461, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 730 Ways and Means on S.B. No. 1479**

The purpose of this bill is to appropriate funds for the expansion of the Maui Memorial Hospital.

Your Committee finds that the Maui Memorial Hospital is a major provider of medical services on the island of Maui. In recent years, however, the demands of the island's expanding population have placed an enormous strain on the ability of the hospital to deliver the necessary services. This bill provides the funding to expand and improve various facilities at the Maui Memorial Hospital.

While it concurs with the intent of this bill, your Committee finds that further discussion is necessary to determine the amount of funding needed to carry out the improvement and expansion projects identified for the hospital facility. In this regard, your Committee has amended this bill by replacing the amounts indicated for the various expenditure items identified, with blank amounts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1479, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1479, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 731 Ways and Means on S.B. No. 1666**

The purpose of this bill is to replace the requirement for premarital serologic testing for rubella with a requirement for prenatal serologic testing for rubella.

Specifically, this bill:

- (1) Repeals the law prohibiting an application for a marriage license from being accepted by a marriage license agent unless the female provides a physician's statement verifying that the female has been given a serological test for immunity against rubella and has been informed of the adverse effects of rubella on the fetus;
- (2) Requires every person permitted by law to attend a pregnant woman in the State, during the period of gestation or at delivery, to cause a blood specimen from that woman to be tested for immunity to rubella, except when the woman does not consent or there is documentation that the woman has been tested previously for immunity to rubella or has been immunized against rubella; and
- (3) Requires the department of health to make available to every woman applying for a marriage license a brochure explaining rubella, the risks of infection with rubella during pregnancy, and how to seek testing and immunization.

Your Committee finds that only 3.4 per cent of women applying for marriage licenses in Hawaii are susceptible to rubella. The low incidence of rubella in women of childbearing age indicates that the risk of contracting rubella disease during pregnancy is extremely low. Your Committee also finds that the risk of transmission of congenital rubella syndrome is not dependent on the marital status of the mother. Since unmarried women are not subject to premarital screening, their only screening occurs when they access the medical system for prenatal exams. Prenatal screening for rubella is considered a standard of practice by the American College of Obstetricians and Gynecologists. This practice eliminates the need for premarital screening since pregnant women are routinely screened during prenatal exams.

Your Committee has amended this bill by making a technical, nonsubstantive amendment for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1666, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1666, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 732 Ways and Means on S.B. No. 1667**

The purpose of this bill is to allow respite care services for persons with developmental disabilities to continue to be available in the community rather than at Waimano training school and hospital (WTSH). More specifically, this bill:

- (1) Repeals provisions which required WTSH to submit an annual report to the legislature regarding the provision of a respite care program at WTSH and in the community;
- (2) Repeals the specific provisions which set up the respite care standards at WTSH; and

- (3) Repeals the sunset dates for the laws that established the respite care program in the community, thereby making it permanent.

Your Committee recognizes the value of having respite care services for families and providers because without the "break", caregivers of developmentally disabled would find themselves in need of care. Professionals feel that respite care provided in the community instead of in an institution is preferable for all concerned. This bill intends to continue respite services in the community because respite is being offered as a service under the Title XIX waiver program through the developmental disabilities division of the department of health.

Your Committee has amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1667, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1667, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 733 Ways and Means on S.B. No. 1670**

The purpose of this bill is to require nuclear medical technologists to be licensed by the radiologic technology board.

Specifically, this bill sets out license requirements for nuclear medical technologists and ensures their representation on the board. Additionally, this bill establishes continuing education requirements for renewals of all licenses granted by the board, makes license renewal biennial instead of annual, allows fees to be set through administrative rulemaking, and repeals restrictions on the use of professional abbreviations.

At present nuclear medical technologists are not licensed by the State even though concerns of protecting the general public from radiation affects nuclear medical technologists just as much as it does radiographers and radiation therapists. Additionally, changes in the various imaging modalities used in these professions makes it imperative that these licensees keep up with developments in their fields through verifiable continuing education efforts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1670, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 734 Ways and Means on S.B. No. 1674**

The purpose of this bill is to establish measures to further assist the division of community hospitals (DCH) in the department of health (DOH) to improve delivery of health care services by granting additional exemptions and powers for the purpose.

This bill:

- (1) Establishes thirteen hospital operations funds -- one for each public health facility for certain purposes and provides procedures for their maintenance including annual reports to the governor and legislature;
- (2) Exempts from transfers from the DCH's special funds for central service expenses by the director of finance;
- (3) Exempts the DCH's special funds from their prorated share of departmental administrative expenses incurred for operations supported by the special funds;
- (4) Grants the DCH the power to transfer special fund appropriations among community hospital facilities within the same county on certain conditions, requires quarterly and annual reports, and prohibits the DCH from using current appropriations so that programs are expanded to incur increased future state funding;
- (5) Requires that DCH accounts need to have been uncollectible for at least one year before being deleted from the DCH's accounts receivable records; provided that the director of health may declare certain accounts under \$100 uncollectible;
- (6) Removes the administrator of the procurement office in the department of accounting and general services as the procurement officer of the DCH;
- (7) Clarifies the DOH's power to participate in health care service and insurance and other alternative health care delivery programs to the extent that they involve discounts and contractual adjustments from its rates, rents, fees, and charges;
- (8) Grants the DOH the specific power to declare accounts to be uncollectible;
- (9) Grants the DCH the power to increase as well as decrease rates, rents, fees, and charges by up to five per cent in each of the next two fiscal years. This power is to be repealed on June 30, 1996;
- (10) Exempts the DCH pilot autonomy hospitals from competitive bidding and preference statutes;

- (11) Prohibits physicians from referring patients to entities with which they or their families have a financial relationship for certain designated health services; and
- (12) Exempts the DCH from the mandated hiring freeze required by Act 212, Session Laws of Hawaii 1994;

Your Committee finds that these additional measures will help the division of community hospitals to further improve their delivery of health care services to the people of the State while at the same time accruing cost savings.

Your Committee has amended this bill by:

- (1) Deleting section 2 of the bill establishing the thirteen hospital operations funds;
- (2) Removing the restriction that transfers of special fund appropriations among community hospital facilities be only within the same county;
- (3) Deleting section 6 of the bill imposing special conditions on DCH accounts in order to be declared uncollectible;
- (4) Removing the specific power of the DOH to declare accounts uncollectible;
- (5) Deleting references in Act 211, Session Laws of Hawaii 1993, regarding sections of the Hawaii Revised Statutes relating to advertisement for bids that have since been repealed and clarifying references to HRS sections relating to purchase preferences in the Hawaii Public Procurement Code;
- (6) Limiting the prohibited referrals by physicians to entities to those with which physicians or members of their immediate family have a financial relationship;
- (7) Adding language to clarify Act 212, Session Laws of Hawaii 1994, to allow the director of health to fill one hundred per cent of positions vacated, prohibit holding vacant of any those positions, and prohibit the elimination of any of those positions;
- (8) Deleting the restriction that the DCH may trade off and transfer, or establish positions only within each community hospital facility;
- (9) Correcting language in Act 192, Session Laws of Hawaii 1994, to allow section 323-70, Hawaii Revised Statutes, relating to increases in rates to take effect and deleting the incorrect reference to section 323-73; and
- (10) Making technical, nonsubstantive amendments for the purpose of clarity and style, including necessary renumbering of sections of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1674, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 735      Ways and Means on S.B. No. 1362**

The purpose of this bill is to provide needed dialysis services for the residents of west Kauai.

This bill appropriates \$723,000 for fiscal year 1995-1996 for the design, construction, and equipping of a seven-station dialysis unit at Kauai Veterans Memorial Hospital.

Your Committee finds that only limited renal dialysis services are available in west Kauai. At least twenty-five people in that area must be driven to and from a dialysis facility. Limited services also means that some Kauai residents must be transferred to Oahu hospitals and remain on Oahu for treatment or be transferred to Wilcox Memorial Hospital. Transport by ambulance to Lihue for treatment would incur additional costs for each patient. By establishing dialysis services at Kauai Veterans Memorial Hospital in west Kauai, the significant need for this type of medical treatment will be relieved.

Your Committee has amended this bill by:

- (1) Amending the \$723,000 appropriated to a blank amount for purposes of further discussion;
- (2) Deleting inaccurate language referring to home dialysis in section 1 of the bill; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1362, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 736 Ways and Means on S.B. No. 4**

The purpose of this bill is to establish a special University of Hawaii Kapolei development zone in Kapolei, Oahu.

Specifically, this bill sets the boundaries of the zone, grants the University of Hawaii board of regents the exclusive authority and responsibility over the zone, including developing student and faculty housing that is to be exempt from zoning ordinances and building codes, and athletic facilities. Additionally, the bill contains a repeal date of December 31, 1995, conditioned on the occurrence of external events that would moot the necessity for this measure.

Your Committee finds that this measure is the necessary next step in realizing the vision of a university campus for the residents of West Oahu. The site has already been chosen, after exhaustive study, and a land exchange approved and authorized in 1994 to obtain it.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 4, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 737 Ways and Means on S.B. No. 287**

The purpose of this bill is to establish an irrigation water development special fund under the department of agriculture to plan, design, improve, and construct irrigation projects throughout the State.

This bill also authorizes the issuance of revenue bonds for the purpose of capitalizing the irrigation water development special fund.

Your Committee finds that Hawaii's agricultural industry is currently in a state of transition. The closure of several major sugar companies is causing many former sugar operations to explore and pursue other agricultural development options such as diversified agriculture. This bill enables the department of agriculture to assist the agricultural industry in making this transition by providing the funds needed to develop and improve agricultural irrigation systems throughout the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 738 Ways and Means on S.B. No. 452**

The purpose of this bill is to provide for the development of a strategic plan for the Waialua community following the termination of operations of the Waialua Sugar Company, and the development of an inter-agency agricultural transformation support process to respond to other sugar company closings.

Your Committee agrees with the intent of this bill to provide for the implementation of a long-term strategy to deal with the problems confronting the Waialua district in light of the planned closing of Waialua Sugar, both to assist residents of that district and to preserve Waialua's economic and social stability. Your Committee finds that this bill provides for comprehensive transitional and long-range planning needed to identify human services, housing, and other needs, identify public and private resources, obtain community participation and support, and, if necessary, recommend to the legislature the creation of a new entity to facilitate plan implementation. Your Committee further finds that this bill will help to promote the stability of the area by fostering diversified land uses and coordinating land use and redevelopment activities, while preserving historic and culturally significant sites.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount. Your Committee has further amended the bill to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 452, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 452, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 739 Ways and Means on S.B. No. 1309**

The purpose of this bill is to appropriate \$767,000 for plans, land, design, and construction of the Kaunakakai exploratory well.

These steps include conducting an engineering survey to determine the best location for the well, preparing environmental assessments as required, and obtaining the proper permits.

Your Committee finds that with the loss of the Kaunakakai well in November 1993 the town of Kaunakakai, Molokai has had to depend on the department of Hawaiian home lands' (DHHL) well. A new well is needed as backup to the temporary use of DHHL's well. Water sustains life and your Committee recognizes this critical need. But, in view of the State's uncertain fiscal picture, your Committee has amended this bill by taking out the specific dollar amount in the appropriation and leaving it blank until such time that the State's financial picture becomes clearer.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 740 Ways and Means on S.B. No. 1828**

The purpose of this bill is to appropriate funds to support the economic recovery programs initiated in the Hilo and Hamakua communities of the island of Hawaii following the closure of sugar operations in the area.

Your Committee finds that the residents of the Hilo and Hamakua communities of the island of Hawaii have made significant progress in rebuilding their communities in the wake of the economic crises brought about by the closure of the Hamakua Sugar Company operation. Residents developed task forces and working groups to help to rebuild the economy of the distressed region. These and other economic recovery efforts were supported and made possible through allocations approved by the legislature in 1993 and 1994. To ensure the continuity of these efforts, it is imperative that the assistance and funding previously committed to the restoration of the region be extended for an additional fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1828, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 741 Ways and Means on S.B. No. 1905**

The purpose of this bill is to create a temporary state facilities innovation task force within the office of state planning for administrative purposes to plan a pilot child care/park and ride project at Aloha stadium.

Your Committee finds that the establishment of a child care/park and ride project at Aloha stadium will address the needs of families for dependable child care while their parents are at work and make available quality early childhood education and care programs that support the development of young children. In addition to addressing child care arrangements, the pilot project contemplated by this bill also addresses the severe traffic congestion in downtown Honolulu and its negative environmental impact by providing for a secure parking facility for commuters. Assuming that the required approvals to use Aloha Stadium in this manner are obtained from the United States Department of the Interior (since existing quit claim deed covenants restrict usage to recreational purposes only), your Committee finds that this bill will allow Aloha Stadium to be better utilized to serve the public.

Your Committee has amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1905, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1905, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 742 Ways and Means on S.B. No. 1936**

The purpose of this bill is to designate the department of land and natural resources (DLNR) as the lead agency to coordinate the Kahuku master flood control plan.

This bill also appropriates moneys for the preparation of the department's progress report and the final report.

Your Committee finds that the Kahuku master flood control plan which was created in 1992 by house concurrent resolution no. 276 and house resolution no. 286 correctly assigned the coordinating function to DLNR because of its responsibilities in flood management generally and its ongoing relationship with other government agencies and the private sector regarding flood control issues.

Your Committee has amended this bill by changing the appropriated amount to a blank amount to allow time to reveal more information as the State's uncertain fiscal picture becomes clearer.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1936, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1936, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 743 (Majority) Ways and Means on S.B. No. 82**

The purpose of this bill is to authorize the department of public safety to implement an intermediate sanctions program, create the Hawaii drug court program, and implement a comprehensive schedule of alternatives to incarceration that do not undermine public safety.

In particular, this bill identifies eligibility, criteria, and conditions for participation in intermediate sanctions programs, including inmates convicted of nonviolent crimes who would otherwise be sentenced to prison and offenders sentenced to perform community service; lists the various types of intermediate sanctions programs, including electronic monitoring, expanded community service, supervised release, expedited bail review, and pre-release education; and specifies the types of intermediate sanctions that may be imposed by the court as part or in lieu of the sentences otherwise provided by law. The bill also establishes the Hawaii drug court program to offer chronic drug and alcohol abusers a means of addressing their abuse problems through early intervention and diversion from incarceration, individualized assessments, increased access to drug treatment options, and judicial tracking and increased judicial involvement in monitoring treatment participation involving incentives for compliance and sanctions for noncompliance. Finally, this bill appropriates funds and authorizes the hiring of necessary staff for various intermediate sanctions programs.

Your Committee finds that this bill will provide cost-effective sentencing and placement alternatives to incarceration. By implementing less costly intermediate sanctions and supervision standards appropriate to the requirements of particular offenders or defendants, your Committee finds that the State can better manage its overcrowding problem at state correctional facilities while continuing to promote public safety. In addition, your Committee finds that this bill will help to address many of the problems contributing to criminal behavior, and will better prepare incarcerated offenders in making meaningful and positive change and promote reintegration into the community. Your Committee further finds that the establishment of a drug court will provide for the prompt handling of drug cases, more extensive judicial involvement, and reduce recidivism rates.

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

- (1) Amending section 1 of the bill to clarify the balance between alternatives to incarceration and concern for public safety, and reorganizing the order of the paragraphs to focus emphasis on the various purposes;
- (2) Amending section 2 by deleting section 353- (a)(1) to (6) and amending subsection (b) to list two general criteria standards for pretrial detainees. This was done to specify the first of three categories of offenders and provide the department with less restrictive criteria in case certain offenders were not considered in the statute regarding pretrial detainees;
- (3) Amending section 2 by amending section 353- (c) to delete the list of intermediate sanctions programs, which is moved to subsection (d), and to add language specifying existing statutory authority regarding conditional release and furlough, specifically sections 353-8 and 353-17, Hawaii Revised Statutes, which identify release programs and a furlough program for committed persons with a minimum or lower security classification. Subsection (d), as amended, adds a definition of intermediate sanctions, specifies funding sources, and modifies programs that were originally listed in subsection (c). The list was modified to include only the pertinent programs offered to pretrial detainees by the department. Subsection (e) is identical to former subsection (d);
- (4) Adding a new section 3, which adds a new section to part II of chapter 353, Hawaii Revised Statutes, that requires the Hawaii paroling authority to implement an intermediate sanctions program to place, control, supervise, and treat selected parolees. Previously, there was no mention of specific criteria for the paroling authority's population of offenders. Subsections (a), (b), and (c) reflect similar language found in section 2;
- (5) Deleting section 4, which amended section 804-7.1, Hawaii Revised Statutes. Your Committee found that amendments made to this section did not enhance anything that was already provided by the original section 804-7.1. Section 4 was amended by inserting the section 706- , Hawaii Revised Statutes, language from S.D. 1, section 3. This language was amended in a manner similar to the language contained in section 3 of S.D. 2, and requires the judiciary to implement an intermediate sanctions program to place, control, supervise, and treat selected defendants;
- (6) Amending section 7, which provides that the drug court "would" consist of one of the existing first circuit court judges, to provide that the drug court "shall" consist of one of those judges;
- (7) Replacing the sums appropriated with blank amounts to facilitate further discussion on the funding necessary to carry out the purposes of this measure;
- (8) Changing all permanent positions authorized by the bill to temporary positions; and
- (9) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 82, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 82, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, 1 (Liu). Excused, 1 (Bunda).

The purpose of this bill is to ensure neighbor island law enforcement representation on the corrections population management commission.

Additionally, this bill provides funding of \$177,081 until the end of fiscal year 1996-1997.

Specifically, this bill adds a tenth commission member, appointed by the governor, from among the prosecuting attorneys and police chiefs of counties having less than five hundred thousand persons, i.e., the neighbor island counties.

Your Committee finds that the commission was formed in 1993 to study methods of controlling the population of correctional facilities, an issue crucial to the State's compliance with a prior federal consent decree on prison overcrowding. The commission's work is reportedly not yet complete, as the commission should continue to monitor and assess the implementation of its plan and recommend adjustments.

Your Committee has amended this bill by changing the appropriations to unspecified amounts, for purposes of continued discussion in this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 86, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 86, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 745 Ways and Means on S.B. No. 88**

The purpose of this bill is to require the director of public safety to prepare prison impact assessments with the assistance of the attorney general and the administrative director of the courts.

Your Committee finds that these assessments, which would be prepared in response to the request of a legislative committee chairperson for information with respect to a pending measure or other matter affecting the number of defendants processed through Hawaii's criminal justice system, will greatly enhance fiscal accountability in the legislative decision making process. As corrections continues to take on an increasingly larger share of the State's annual funds, up from 1.5 per cent of the state budget in 1985 to approximately 3.5 per cent today, your Committee finds that this bill will enable the legislature to make more informed decisions concerning the fiscal impact of criminal justice measures that increase the need for additional prison beds, thereby assuring that the cost of proposed legislation can be considered along with its merits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 88 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 746 Ways and Means on S.B. No. 163**

The purpose of this bill is to require the attorney general to appoint an administrator for the child support enforcement agency without regard to state civil service and compensation laws.

Your Committee finds that removing the agency administrator as a civil service position will increase the level of accountability and performance with respect to that position, comparable to the department of the attorney general's other division-level supervisors who are also appointed by the attorney general. Your Committee further finds that this bill will augment managerial and fiscal responsiveness to ensure that the parents and children who rely on an efficiently managed agency for their economic survival will receive timely support payments.

Upon further consideration, your Committee has amended this bill by adding the contents of S.B. No. 1772, S.D. 1, to this bill. The purpose of that bill is to permit the agency to provide information to consumer credit reporting agencies regarding parents with delinquent accounts at an earlier stage, and to allow the agency to charge reasonable fees for this information to be deposited into the general fund.

S.B. No. 1772, S.D. 1, also requires child support orders to be recorded in the bureau of conveyances or filed with the land court only after filing in the office of the clerk of the circuit court. Finally, that bill requires the attorney general to appoint a staff attorney to serve as the supervisor of the administrative process activities and staff of the agency.

Your Committee finds that enabling the agency to provide information to consumer credit reporting agencies regarding parents with delinquent accounts will give child support payors an incentive to faithfully comply with the obligation to pay child support on a timely basis, while enabling the State to recover a portion of the costs involved with this service by collecting fees. In addition, your Committee finds that enforcing child support obligations through real and personal property liens after a three-month delinquency in child support obligations will be enhanced by the filing of child support orders in the bureau of conveyances after filing with the circuit courts.

Your Committee has deleted that portion of S.B. No. 1772, S.D. 1, that requires the attorney general to appoint a staff attorney to serve as the supervisor of the administrative process activities and staff, in favor of the appointment of an agency administrator as provided in S.B. No. 163. Your Committee has further amended S.B. No. 163 to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 163, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 163, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda)

**SCRep. 747 Ways and Means on S.B. No. 233**

The purpose of this bill is to improve child support enforcement against out-of-state non-custodial parents by adopting the Uniform Interstate Family Support Act.

Your Committee finds that establishing and enforcing child support obligations against out-of-state non-custodial parents is frequently difficult and cumbersome. The children are the ultimate victims when these parents leave the State and abandon their obligations. The State's current law on this subject, chapter 576, Hawaii Revised Statutes, the Uniform Reciprocal Enforcement of Support Act, does not go far enough in assisting custodial parents to secure payments to which their children are legally entitled. The uniform law in this bill provides a more clear and forceful mechanism for establishment and enforcement of these orders. Seventeen states have adopted the proposed uniform act and it is under consideration in others. Your Committee finds that this law will better protect the interests of the children of this State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 233, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 748 Ways and Means on S.B. No. 309**

The purpose of this bill is to exempt property in the State from attachment and execution where a judgment for another State relates to failure to pay income taxes on retirement benefits.

Several states have an income tax policy that taxes pension income, regardless of whether or not you are a resident. As a result retired Hawaii residents who once worked in one of these states, for example California, are required to pay a source tax on the pension benefits they receive. This bill attempts to prohibit the collection of that tax through attachment and execution of property located in Hawaii and owned by a judgment debtor who is now a resident of Hawaii.

Your Committee understands that by establishing this law, the State of Hawaii joins other states, including Nevada, Florida, Texas, Louisiana, New Mexico, Colorado, Washington and Arizona, in their efforts to protect the property of residents from states who want another bite at the "tax" apple.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 309 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 749 Ways and Means on S.B. No. 336**

The purpose of this bill is to address the funding shortfall presently experienced by the driver education and training fund.

Specifically, this bill authorizes the judiciary to: (1) use appropriations from the general fund to address cash flow deficits in the driver education and training fund; (2) increase the assessment penalty for persons convicted of motor vehicle violations; (3) establish an additional \$150 fine for persons convicted of driving under the influence of alcohol; (4) increase the driver education underwriter's fee; and (5) modify the amount of funds distributed to the driver education program of the courts and the driver education program of the department of education.

Your Committee finds that the driver education and training fund is the only source of funding for the driver education program. Modifications made to the fund in 1993, and the subsequent transfer of \$1,000,000 to the general fund have resulted in a serious deficit in the program. Transferring funds from other court programs is currently the only means ensuring the solvency of the fund.

Upon further consideration, your Committee has amended this bill by deleting the changes proposed to the driver education and training fund which would enable the judiciary to use appropriations from the general fund to address cash flow deficits in the fund. To address the issue of budgetary shortfalls, your Committee suggests that the judiciary explore the possibility of assessing a direct fee to persons attending driver education classes to cover the costs of the program. Your Committee has also made several technical amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 336, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 336, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 750 Ways and Means on S.B. No. 432**

The purpose of this bill is to help support substance abuse treatment and prevention programs by allowing assessment by the court of varying amounts from persons convicted of certain drug-related crimes to be paid into a special fund for that purpose.

Specifically, this bill allows, but does not require, persons to be assessed the amounts below, over and above any other fine, who have been convicted, or granted a deferred acceptance of a guilty or no contest plea, of: (1) driving under the influence of alcohol or drugs; (2) an offense related to the distribution of a controlled substance; or (3) commercial promotion of marijuana:

- (1) \$3,000 for a class A felony;
- (2) \$2,000 for a class B felony;
- (3) \$1,000 for a class C felony;
- (4) \$500 for a misdemeanor; and
- (5) \$250 for a petty misdemeanor.

This bill also requires restitution to be made to victims of these crimes before payment of assessments. Assessments are to be paid into a newly created drug demand reduction assessments special fund administered by the department of health. Use of fund moneys is restricted to supplementing drug treatment and other drug demand reduction programs. Finally, the bill allows the court to waive imposition of assessments and to require community service in lieu upon determination of inability to pay.

Your Committee believes that this bill serves the dual purpose of exercising the rightful imposition of penalties for offenses committed as well as channeling those monetary penalties more directly to help prevent future offenses and to mitigate the effects of past offenses. Your Committee believes that the court is allowed the proper flexibility in choosing to impose such assessments or not and in waiving such assessments for community service when appropriate.

Your Committee has amended this bill to:

- (1) Add a new section to chapter 321, Hawaii Revised Statutes, to cross-reference the creation and use of the drug demand reduction assessments special fund in the department of health;
- (2) Add "promotion" as well as "distribution" of a controlled substance;
- (3) Add "promoting intoxicating liquor to a minor" as one of the offenses listed in part IV of chapter 712; and
- (4) Make technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 432, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 432, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 751 Ways and Means on S.B. No. 435**

The purpose of this bill is to establish a comprehensive state approach to prohibiting the purchase, possession, and consumption of alcoholic beverages and intoxicating liquor by persons under the age of twenty-one years.

Specifically, this bill:

- (1) Makes it unlawful for an underage person (i.e., a person less than twenty-one years of age) to purchase, consume, or possess (with intent to consume) any alcoholic beverage, whether these acts occur in public or private places;
- (2) Requires a law enforcement officer to seize any opened or unopened alcoholic beverage that is in the possession of an underage person;
- (3) Makes an underage person who unlawfully purchases, consumes, or possesses alcoholic beverages guilty of a misdemeanor, rather than a petty misdemeanor; and subjects the underage person to a fine and community service, or both;
- (4) Allows the court to suspend an underage person's driver's license if the underage person is found to have consumed or to be in possession of an alcoholic beverage in any motor vehicle on a public highway or in a public place;
- (5) Requires an underage person who commits a second or subsequent violation with respect to the purchase, consumption, or possession of an alcoholic beverage to submit to an assessment of alcohol and other drug problems; and requires the assessment to be conducted by the department of health, a designee of the department, or an inpatient or outpatient treatment program accredited by the department;

- (6) Prohibits the license of an underage person from being reinstated until after the successful completion of a treatment requirement if the underage person is determined to have an alcohol or other drug problem and is ordered to submit to a treatment program;
- (7) Makes it unlawful for any person, rather than only an underage person (or minor), to:
  - (A) Use a false or fictitious name, knowingly make a false statement or conceal a material fact, or otherwise commit a fraud in any application for a driver's license or personal identification card;
  - (B) Possess a canceled, revoked, expired, suspended, fictitious, or fraudulently altered driver's license or personal identification card; lend a personal driver's license or personal identification card to any other person; represent as one's own any driver's license or personal identification card not issued to the person; or permit any unlawful use of a driver's license or personal identification card issued to the person, for the purposes of purchasing, furnishing, possessing, or consuming alcoholic beverages; and
  - (C) Fail to surrender any driver's license that has been suspended, revoked, or canceled for the illegal purchase, provision, possession, or consumption of alcoholic beverages;
- (8) Makes a person who commits a fraud in any application for a driver's license or personal identification card, or who unlawfully uses or permits the unlawful use of the same, for the purposes of purchasing, furnishing, possessing, or consuming alcoholic beverages guilty of a misdemeanor; and subjects the person to a fine and community service, or both;
- (9) Requires the court to suspend a person's driver's license if the individual commits a fraud in any application for a driver's license or personal identification card, or is found to have unlawfully used or permitted the unlawful use of a driver's license or personal identification card, for the purposes of purchasing, furnishing, possessing, or consuming alcoholic beverages;
- (10) Subjects a person who sells, furnishes, or gives any alcoholic beverage to any underage person to a fine and community service, or both;
- (11) Makes an individual or establishment that sells any alcoholic beverage to a person, or that permits the consumption of any alcoholic beverage in the premises by a person whom the individual or establishment knew or should have known was underage guilty of a misdemeanor; and allows a liquor commission to revoke the liquor license of the individual or establishment for subsequent violations relating to the sale of alcoholic beverages to, or the consumption of alcoholic beverages by, underage persons; and
- (12) Requires all individuals or establishments that serve alcoholic beverages to determine the age of persons seeking to purchase or consume the same by, at a minimum, requesting and checking the individual's valid identification; and repeals the law excusing individuals and establishment that are misled by the appearance of an underage person (minor) and the attending circumstances into honestly believing that the underage person was of legal age and that the licensee acted in good faith.

Your Committee finds that prohibiting the consumption of alcoholic beverages by persons under the age of twenty-one years, whether at home or in public establishments, is in the public interest, and for the public health, safety, and general welfare of the State. Many underage persons--not to mention many adults--do not have the emotional maturity to deal responsibly with the physical and psychological effects of alcohol consumption. Your Committee believes that the risks of underage drinking far outweigh any civil liberty and economic issues that might be raised by underage persons and drinking establishments, and that a comprehensive state approach to prohibiting the purchase, possession, and consumption of alcoholic beverages and intoxicating liquor by persons under the age of twenty-one years is both appropriate and necessary.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 435, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 435, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 752 Ways and Means on S.B. No. 443**

The purpose of this bill is to require the registration of certain sex offenders with local law enforcement agencies when they are released into the community.

Your Committee finds that sex offenders, particularly those who have refused treatment or those who are repeat offenders, clearly pose considerable danger to the public. The weight of evidence indicates that there is no present cure for sex offenders, although some experts believe that their behavior can be controlled with appropriate monitoring. Accordingly, your Committee finds that special measures are appropriate and necessary to improve and enhance the ability of law enforcement agencies to monitor certain sex offenders who pose the greatest threat to the public safety.

Your Committee has amended this bill by:

- (1) Adding language to clarify that the bill applies, with respect to persons who refuse to participate in treatment programs, only to persons convicted of a sexual assault and not to a rather broader category of persons who, having been convicted of other offenses, have refused to participate in treatment programs;
- (2) Adding to the required registration statement information pertaining to a temporary location to preclude a loophole where a sex offender could list a residence address but, upon release, go to a different address for an extended period of time; under this scenario under the S.D. 1, especially because the term "temporarily" is undefined, it is possible that the sex offender could list only the offender's official residence address, but not be obligated to give any other address unless the sex offender moved to a different location;
- (3) Correcting the reference on line 17 of page 2 from "subsection (6)" to "to paragraph (c)";
- (4) Adding a new section 3 to the bill to: clarify that the Act applies to all sex offenders, as defined in the Act, and not solely to those who may be convicted or released after the Act's effective date; and allow sufficient time for agencies affected by the Act to implement procedures and prepare forms necessary to effectuate this Act; and
- (5) Making technical, nonsubstantive changes to correct typographical errors and for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 443, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 443, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 753 Ways and Means on S.B. No. 493**

The purpose of this bill is to establish the electronic prescription accountability system within the department of public safety to monitor the prescribing and dispensing of schedule II controlled substances.

In addition, this bill:

- (1) Establishes reporting requirements, specifies the operational parameters of the electronic prescription accountability system, describes the operation of a central repository for information storage and retrieval, and prohibits the disclosure of information except to certain law enforcement personnel and agencies;
- (2) Establishes the controlled substance registration special fund for the purposes of offsetting the cost of the foregoing system and the registration and control of controlled substances with the State, specifies the source of revenues for the special fund, makes a start-up appropriation to the special fund, and requires the start-up appropriation to be repaid to the general fund by June 30, 1997; and
- (3) Appropriates funds to the department of public safety for the implementation of the foregoing system, the establishment of two full-time equivalent (2.00 FTE) investigator V positions, and other current expenses.

Your Committee finds that the inappropriate, nonmedical use of illicit prescription drugs is a serious public health concern. According to the 1990 National Household Survey on Drug Abuse, an estimated 8,500,000 people twelve years or older used controlled sedatives, tranquilizers, stimulants, or analgesics for nonmedical reasons at least once during the preceding year. According to the National Institute on Drug Abuse-sponsored survey of drug treatment facilities around the country, approximately ten per cent of the patients' principle drugs of abuse were drugs that may be prescribed. The Drug Enforcement Administration has estimated that the illegal diversion of legal controlled substances constitutes a \$25,000,000,000 a year market.

Your Committee also finds that a controlled substance electronic prescription accountability system can efficiently and effectively detect and reduce the use of retail prescription practices to obtain prescription drugs for improper purposes.

Your Committee has amended this bill by:

- (1) Changing the all sums appropriated to blank amounts; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 493, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 493, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 754 Ways and Means on S.B. No. 771**

The purpose of this bill is to require an organization that directly receives public funds to make all of the organization's records available for inspection and copying.

Specifically, this bill:

- (1) Exempts an organization, including a subcontractor, that does not receive public funds directly;
- (2) Exempts records constituting trade secrets or other matters of a proprietary nature of the organization that would (A) give competitors an unfair advantage over the organization if the information became available to the public, or (B) otherwise expose the organization to civil or criminal liability by virtue of public access to those records; and
- (3) Requires the comptroller to adopt rules.

Your Committee received written testimony from the director of the office of information practices stating that the contents of this bill should be codified in the Uniform Information Practices Act (Modified) (UIPA). Your Committee finds that codifying the foregoing provisions in the UIPA (chapter 92F, Hawaii Revised Statutes), rather than the law relating to the expenditure of public money and public contracts (chapter 103, Hawaii Revised Statutes), would eliminate any uncertainty concerning the applicability of the UIPA to a corporation or other establishment that was funded by, and performed a service for, the State.

Your Committee has amended this bill by deleting its contents and inserting a provision that would amend the definition of the term "agency" in the Uniform Information Practices Act (Modified) to include corporations or other establishments:

- (1) That are owned, operated, or managed by, or on behalf of, the State or any county; or
- (2) Whose operations are funded in any part by the State;

to the extent the activities of those organizations involve performing services for the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Fernandes Salling, Solomon, Taniguchi).

#### **SCRep. 755 Ways and Means on S.B. No. 772**

The purpose of this bill is to fund career criminal prosecution units, victim witness programs, and special prosecution units.

Your Committee finds that these programs have proven to be invaluable in protecting the public safety of the various counties in this State. Victim witness programs assist victims in preparing for trial to provide key testimony and in recovering from the trauma of the crime. Career criminal prosecution units allow prosecuting attorneys to develop expertise in dealing with hardcore defendants such as repeat felony offenders. Also, youth gang prosecution units have proven to be instrumental in containing youth gang violence by allowing prosecutors to identify and target hardcore youth gang offenders.

Your Committee has amended this bill by changing the appropriations to unspecified amounts, for purposes of continued discussion in this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 772, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 772, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 756 Ways and Means on S.B. No. 773**

The purpose of this bill is to implement the recommendations contained in the auditor's most recent management audit of the judiciary.

Although your Committee is unable to address all of the auditor's concerns, your Committee finds that among those areas discussed by the auditor, the chief justice's assignment of the functions of the office of the administrative director to an active state circuit court judge is especially problematic. The administrative director of the courts, who serves at the pleasure of the chief justice pursuant to Article VI, section 6 of the Hawaii Constitution, and who assists the chief justice in directing the administration of the judicial branch of government, is prohibited from holding any other office or employment by section 601-3, Hawaii Revised Statutes (HRS).

Your Committee finds that although the administrative decisions of the chief justice with respect to the management of the judiciary are entitled to due deference under the separation of powers doctrine, and although the chief justice may appoint the person deemed to be best qualified and in whom the chief justice has the most confidence, the assignment of an active circuit court judge as the de facto administrative director of the courts appears to be in direct violation of the prohibition against this type of dual employment under section 601-3.

Your Committee has therefore amended this bill by:

- (1) Deleting sections 2 and 3 of the bill;

- (2) Amending section 601-3, HRS, to specifically prohibit any person holding any outside office or employment, including an active judge or justice, from concurrently assuming the duties of the office of administrative director of the courts while holding that other office or employment;
- (3) Requesting the chief justice to appoint a permanent, full-time administrative director of the courts who holds no other office or employment; and
- (4) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 773, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 757 Ways and Means on S.B. No. 1211**

The purpose of this bill is to require the department of public safety to establish a pilot project to test its proposed shift relief factor at the Oahu community correctional center (OCCC).

Your Committee finds that this bill implements the auditor's 1994 report recommending that the legislature authorize the department to test its proposed shift relief factor of 1.88 at OCCC before implementing the factor at all correctional institutions. The shift relief factor is used to determine the number of security staff required to provide needed coverage for all security work positions. Your Committee finds that the proposed shift relief factor will result in a significant reduction in overtime expenditures and increased cost savings at the State's correctional facilities.

While your Committee agrees with the intent of this bill, upon further consideration your Committee has amended the bill with respect to the department's pilot project by deleting the requirements that the department project and justify the amount of normally expected overtime for the 1995-1996 fiscal year and that the department set a limit on excessive overtime at the OCCC. Your Committee has retained the requirements that the department project and justify the amount of unavoidable overtime for the next fiscal year and set a target for overtime savings at OCCC. In addition, to facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount. Your Committee has further amended the bill to make technical, nonsubstantive changes.

Finally, your Committee recommends to the department of public safety that in future collective bargaining negotiations the department is specifically requested to include the requirement that, notwithstanding any law or rule to the contrary, any public safety employee who is suspected of abusing the sick leave system, as evidenced by a pattern of abuse or other relevant circumstances, may be required to provide to the employee's supervisor a licensed physician's certificate with respect to sick leave absences that are of a duration that is shorter than the five consecutive working day requirement under section 79-8, Hawaii Revised Statutes. Your Committee believes that the inclusion of such a provision in future collective bargaining agreements may help to reduce unwarranted absenteeism among those few public safety employees who seek to take advantage of the leave system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1211, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1211, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 758 (Majority) Ways and Means on S.B. No. 1214**

The purpose of this bill is to establish a fee schedule for the issuance of permits to acquire firearms to offset the cost to the county police departments for the processing of permit applications.

Your Committee finds that the processing of firearm permits, which includes an extensive background investigation conducted on each applicant, is a cost-intensive responsibility currently being absorbed by the State's taxpayers. Your Committee notes that the local verifications alone conducted by the Honolulu police department (HPD) require the services of three full-time investigators and four clerks and that approximately eight hundred permits are processed monthly by HPD, with each application necessitating an average of one hour and forty-five minutes to complete. Moreover, the Federal Bureau of Investigation charges HPD a processing fee of \$24 for each fingerprint analysis, which is required for every applicant. Your Committee also notes that the majority of states require a fee of applicants to cover such processing costs. Accordingly, your Committee finds that it is appropriate, especially in view of the State's current fiscal condition, that the applicants for permits to acquire firearms support the costs of processing the permits, as opposed to the taxpayers.

Your Committee further finds that a complete reading of the Proceedings of the 1950 Constitutional Convention clearly indicates that it was the intent of the 1950 constitutional convention to permit the legislature to impose reasonable restrictions on the right to bear arms, including even the absolute prohibition of certain types of lethal weapons. Your Committee finds that establishing a \$35 fee for an initial permit application and a \$10 fee for all subsequent permit applications to acquire a firearm constitutes a reasonable regulation of firearms in our State and is necessary to protect the public's health, safety, and welfare.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1214 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, 1 (Liu). Excused, 1 (Bunda).

**SCRep. 759 Ways and Means on S.B. No. 1331**

The purpose of this bill is to remove the responsibility for administering state elections from the lieutenant governor's office and establishing an office of elections.

Specifically, this bill establishes an office of elections headed by a chief election officer who is appointed and may be removed by an elections appointment panel of five members. The functions pertaining to the conduct of elections now being performed by the lieutenant governor will be transferred to the office of elections.

Your Committee finds that there is a public perception of conflict of interest arising from the lieutenant governor, an elected official, administering elections. The 1992 task force on the duties of the lieutenant governor recommended that the responsibility for administering elections be transferred to a new chief election officer who is appointed by an independent bipartisan election appointment panel. The administration submitted a version of this bill as S.B. No. 1621. The instant bill has incorporated the lieutenant governor's concerns, which brings it into conformity with S.B. No. 1621.

Your Committee finds that this bill meets the goals of making elections more nonpartisan, less inclined to interpretation as influenced by politics. In this way, your Committee believes that the election process will be perceived by the electorate as the honorable, untainted process that it must be in order for a democracy to function properly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1331, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 760 (Majority) Ways and Means on S.B. No. 1375**

The purpose of this bill is to require the State's two major newspapers to submit annual reports of their financial condition to the attorney general.

Your Committee finds that circumstances leading up to the 1962 Mutual Publishing Plan Agreement, under which Hawaii's two major newspapers were granted special permission by Congress to operate jointly outside federal antitrust laws, may have changed significantly since that time. While the original agreement was intended to prevent the then imminent failure of the two papers, your Committee finds that there is a need for the newspapers to disclose their current financial statements and other relevant information to allow for closer public scrutiny of the special operating status of these news organizations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1375, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, 1 (Liu). Excused, 1 (Bunda).

**SCRep. 761 Ways and Means on S.B. No. 1483**

The purpose of this bill is to make an appropriation for a family visitation center.

Your Committee finds that when families separate, the issue of child custody and visitation can be very volatile. The ultimate victims in such situations are the children, who are exposed to a continuation of abuse, threats, harm, and friction. Your Committee finds that establishing a neutral location, where court-ordered child visitations with the non-custodial parent can take place in a secured facility, will benefit all parties in this situation.

Your Committee has amended this bill by changing the appropriation to an unspecified amount for the purposes of continuing discussion, and by making a few technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1483, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1483, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 762 Ways and Means on S.B. No. 1490**

The purpose of this bill is to appropriate funds for prevention and support services relating to domestic violence.

Specifically, this bill appropriates \$370,000 to the judiciary which may contract with a private social service provider for telephone crisis counseling, referrals, community program and system information, legal representation, community education, professional training, advocacy for system reform, and technical assistance about domestic abuse issues. Services such as these have been provided by organizations such as the Domestic Violence Clearinghouse and Legal Hotline (DVCLH) for which federal funding ceased in May, 1994. Within the last two years, the DVCLH has responded to over six thousand seven hundred telephone calls from battered women, family members, service and system providers, and attorneys and has represented over one hundred thirty battered women in family court.

Your Committee finds that without continued funding of these services, the alternative costs involving other state agencies including the prisons, human services, and the judicial system, will increase disproportionately.

Your Committee has amended this bill by replacing the \$370,000 appropriation with a blank amount for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1490, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1490, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 763 Ways and Means on S.B. No. 1542**

The purpose of this bill is to appropriate funds to operate and maintain the statewide blood and saliva testing program and databank for convicted felons.

This bill appropriates \$160,000 for fiscal year 1995-1996 to be expended by the attorney general for the Honolulu police department for this purpose. Act 231, Session Laws of Hawaii 1991, required the court to order certain convicted sex and violent offenders to provide saliva and blood samples for genetic "fingerprinting." Your Committee finds that the testing program and databank serve as a valuable law enforcement tool in identifying and apprehending, through comparison of DNA material left at the scene of crimes, perpetrators in the databank who have a history of violent crime.

Your Committee has amended this bill by replacing the \$160,000 appropriation with a blank amount for purposes of further discussion. Your Committee has also made technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1542, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1542, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 764 Ways and Means on S.B. No. 1569**

The purpose of this bill is to clarify the eminent domain law that allows the director of taxation or the county finance director to intervene in eminent domain proceedings to collect any delinquent taxes.

The current eminent domain law only provides for the director to intervene to collect real property taxes. This bill clarifies that the state director of taxation may intervene for any delinquent taxes due under title 14, Hawaii Revised Statutes, as well as the the county directors of finance for delinquent real property taxes.

This bill also authorizes the use of a real property tax appeal valuation as evidence of fair market value in an eminent domain proceeding. But, the use of the appeal valuation is limited. It is prohibited for use as evidence if the eminent domain proceeding is against the fee owner who was not the taxpayer who appealed the assessment. Limiting the evidentiary use of a tax appeal valuation by a taxpayer who is a lessee or who has a contractual obligation to pay the real property tax appeal or assessment, protects the fee simple owner because they are not bound by the taxpayer's appeal assessments.

Your Committee finds that this measure will ensure that all state taxes due will be collected during the eminent domain proceedings and that the use of tax appeal assessment valuations will be helpful evidence in arriving at a fair market value for real property that is the subject of an eminent domain proceeding.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1569, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 765 Ways and Means on S.B. No. 1573**

The purpose of this bill is to simplify the reference to the chapters of title 14 that are referred to in the tax administration law.

This is a housekeeping bill that simplifies the language of the tax administration law, (chapter 231, Hawaii Revised Statutes) by replacing references to the specific chapters with the phrase "chapters of the law under title 14 administered by the department of taxation." This simplification will eliminate the need to continually update specific references to chapters as the state tax law is amended over the years.

Your Committee finds that this housekeeping amendment will avoid many future housekeeping amendments. The change in terminology will also work to reduce the number of necessary conforming amendments that only serve to increase the length of a bill in terms of form rather than substance.

Your Committee has made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1573, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1573, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 766 Ways and Means on S.B. No. 1588**

The purpose of this bill is to appropriate \$1,218,555.29 to compensate certain victims for injuries resulting from their victimization.

Your Committee finds that persons who are victims of crime will usually incur out-of-pocket medical expenses, lost earnings, funeral and burial expenses, or loss of support from the death of a breadwinner. The monetary award is an effort to make somewhat more bearable the physical, psychological, or emotional injuries suffered by victims, good samaritans, and dependents. The criminal injuries compensation commission makes an evaluation of each case and examines each situation before these awards are made. The appropriations in this bill are to fund awards made between July 1, 1993 and June 30, 1994, and average \$1,600 per case for more than seven hundred applicants.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1588 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 767 Ways and Means on S.B. No. 1589**

The purpose of this bill is to specifically allow courts to order convicted persons to pay restitution to the criminal injuries compensation commission.

Specifically, this bill expressly authorizes a sentencing court to direct a convicted defendant to make restitution to the criminal injuries compensation commission, in cases where the victim was previously awarded compensation by the commission on account of the defendant's crime. Awards for compensation, by statute, cover expenses, loss of earning power, pecuniary loss, and pain and suffering. These statutory awards are similar to common law restitution, an award of damages designed to restore someone to the status quo, the position occupied prior to a wrong.

Your Committee finds that questions have arisen whether a sentencing court has the direct authority to order a defendant to pay restitution to the commission instead of the victim, where the victim has already received an award from the commission. Your Committee believes such orders, recognizing the commission as a subrogee of the victim, are justifiable. Monetary amounts to the commission replenishes or supplements the commission's funding for future compensation awards to other victims. Moreover, an order for restitution, directed to the defendant, is still needed in order to instill in the defendant a sense that by providing restitution the defendant has to some degree righted the wrong that was committed.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1589, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1589, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 768 Ways and Means on S.B. No. 1590**

The purpose of this bill is to redefine the beneficiaries and the compensation awards given by the criminal injuries compensation commission.

Specifically, this bill eliminates from awards compensation for pain and suffering, loss of earning power, and miscellaneous pecuniary losses. The bill also allows the commission to grant awards for hospital, medical, funeral, and burial expenses to any relative, of the deceased victim, who incurred such expenses, as well as to a parent or a child of the victim. The bill also redefines "relatives" to include step sibling and stepchild relations.

Additionally, this bill makes it mandatory for the commission to have all cases heard first by the administrator.

Your Committee believes that these changes are necessary to provide for more efficient administration of claims, to objectify the basis for granting awards, and to clarify the eligibility of relatives to receive awards.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1590, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 769 Ways and Means on S.B. No. 1592**

The purpose of this bill is to extend the authorization date for the State to begin new construction or development of the women's community correctional center at Kailua.

Specifically, this bill gives the State three more years to initiate construction of the third phase of the women's community correctional center without prior legislative approval. Legislative approval is needed because it exempts the State from otherwise applicable state and county requirements relating to planning, land use, and construction.

Your Committee finds that construction of the third phase is necessary for the State to comply with the stipulations of the Spear v. Waihee consent decree. Due to circumstances relating to the construction projects for the Hawaii youth correctional facility, it is impossible for construction of the third phase of the women's community correctional center to begin until after 1996. If the termination date for exempted construction remains unchanged at July 1, 1995, the State will encounter increased legal, administrative, financial, and other logistical hurdles associated with complying with the consent decree.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1592 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 770 (Majority) Ways and Means on S.B. No. 1622**

The purpose of this bill is to increase the filing fee for a change of name from \$10 to \$20.

Your Committee finds that the \$10 fee has not been changed since 1985. However, staff and processing costs have increased over those intervening years. Additionally, just over the past four years there has been an estimated increase of fifty-eight per cent in the number of name change applications processed by the lieutenant governor's office. This increase is partly attributable to the federal Immigration Act of 1990, under which name changes are not allowed as part of the naturalization process, thereby eliminating a convenient alternative procedure.

Your Committee finds that an increase in the filing fee for name changes is justified because it enables the State to recoup some of its expenses, which have risen over the years.

Your Committee has amended this bill by increasing the filing fee to \$50 to more accurately reflect present processing costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1622, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1622, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, 1 (Liu). Excused, 1 (Bunda).

**SCRep. 771 Ways and Means on S.B. No. 1691**

The purpose of this bill is to transfer the Hawaii state commission on the status of women from the department of human services to the office of the lieutenant governor and to reduce the membership of the commission to a more workable number.

Your Committee finds that the commission on the status of women serves a unique function as an independent, community based advocate for women and girls within state government. It also plays an important role in the development of legislative policy on issues of great concern to the women of our State and serves as a statewide clearinghouse for information and coordinator of activities about women and women's issues. Your Committee acknowledges that the commission has successfully and effectively promoted women's issues and consciousness about women's issues throughout our State.

Your Committee recognizes that the department of human services is burdened with providing and expanding services required by its legislative mandate, while faced with shrinking resources. As it struggles to provide financial, medical, social, and rehabilitative services and shelter, in the most effective and efficient manner possible, to Hawaii's most needy citizens, the department is understandably not in a position to give high priority to the commission on the status of women, which has substantially different duties and responsibilities and has been attached to the department only for administrative purposes.

Furthermore, your Committee finds that the commission's unique role and special purpose cut across the functional boundaries of the existing principal departments. Accordingly, your Committee finds that it is most appropriate to transfer the commission on the status of women to the office of the lieutenant governor. Moreover, your Committee notes that the department of human services concurs with this move.

Your Committee has amended this bill as follows:

- (1) By deleting the director of the office of children and youth as an ex officio member of the commission and reducing the commission membership from fourteen to thirteen members;
- (2) By moving the added language in section 1 of the bill, pertaining to the duties of the lieutenant governor, to the end of the section, to maintain the cohesiveness of the existing statutory language concerning the duties and powers of a person designated to authenticate documents on behalf of the lieutenant governor in certain instances;
- (3) By deleting the existing sections 2 and 4 of the bill, as no statutory amendments were contained in these sections, and renumbering the remaining sections consecutively;
- (4) By correcting a number of errors made to existing statutory language and reinserting existing statutory language that was inadvertently omitted;
- (5) By correcting a number of grammatical errors; and
- (6) By making a number of technical nonsubstantive changes for purposes of drafting style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1691, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1691, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 772 Ways and Means on S.B. No. 1693**

The purpose of this bill is to allow the chief election officer and the clerk of the affected county to require registered voters to vote by absentee ballot when polling places are found to be temporarily unsafe.

Specifically, this bill is intended to provide for absentee balloting in certain precincts, districts, or counties under conditions which follow a natural disaster such as a hurricane.

Your Committee finds that all voters should have the opportunity to vote even when the physical environment might have suffered from severe hurricane or other damage. This bill provides that a determination be made by both the chief election officer and clerk of the affected county to issue an order requiring absentee voting when unsafe conditions exist. This discretionary decision would allow absentee voting on a case-by-case basis for an area as large as a county or as small as a single precinct.

Your Committee has amended this bill to make it clear that the order requiring absentee balloting because of unsafe polling places shall be only for the duration of the emergency. This emphasizes the temporary nature of the absentee ballot option in an area affected by a natural disaster.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1693, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1693, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 773 Ways and Means on S.B. No. 1695**

The purpose of this bill is to permit the chief election officer to contract with groups such as clubs and nonprofit organizations to provide election day officials without going through the public procurement process.

The bill also allows for a compensation schedule to be established by the chief election officer.

Your Committee finds that the chief election officer continues to have difficulty recruiting and training workers to cover polling places on election days. These election officials see that elections take place in an orderly fashion and provide voters with assistance, including practice in marking ballots, and understanding the balloting procedures, among other things. When recruitment of election officials is not completed until the last few days before an election, there is insufficient time to train these workers. This handicaps the election process and could affect the quality of voting assistance available at the polls.

Your Committee finds that by exempting the contracting of community groups from the state procurement law, the chief election officer would have a bigger pool from which to draw election workers and officials. Your Committee also finds that allowing the chief election officer to establish a compensation schedule by rule would give the chief election officer greater flexibility in paying these election workers.

Your Committee has amended this bill by:

- (1) Clarifying that compensation paid to groups providing precinct workers are exempt from the general excise tax;
- (2) Clarifying that the compensation schedule adopted by rule by the chief election officer is a schedule for nonprofit groups or employees. This would indicate that while a group's compensation is exempt from the general excise tax, the compensation to an employee/individual would not be so exempt. The employee/individual would also still be responsible for income tax, while the contracted group would be a nonprofit entity which does not pay income tax;
- (3) Adding the tax exemption implementation provision to the general excise tax law;
- (4) Adding a reference to chapter 103D (the Hawaii public procurement code) to the language which allows the chief election officer to contract without regard to the laws regarding public procurement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1695, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1695, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 774 Ways and Means on S.B. No. 1767**

The purpose of this bill is to permit victims of sexual assault to require the HIV testing of their accused assailant, to be informed of the HIV status of the accused assailant, and to obtain appropriate counseling.

Specifically, this bill requires that, if the victim requests it, a person who has been indicted, waived indictment, held over to circuit court, or is a minor child against whom a petition has been filed for sexual assault to be tested to determine the person's HIV status upon court order. The bill further provides procedures to be followed for ordering the test, including those for the parent or guardian of minor or incapacitated victims. Persons authorized to perform this testing are protected from civil or criminal liability. Counseling is also made available to victims, parents and guardians of minor or incapacitated victims, and the accused. Finally, the bill exempts release of HIV test records from the requirements of confidentiality.

Your Committee believes that there is a need to balance the right of informed consent of persons for HIV testing and confidentiality of test results with the rights of victims of sexual assault who may have contracted HIV from the accused. The victim of sexual assault has already been physically and mentally harmed by the assault itself. The person would be further victimized if made to suffer from the effects of the HIV virus, aids related complex (ARC), or AIDS itself as a result of the assault. This situation can be ameliorated by at least letting the victim know if the HIV virus has been transmitted and by providing appropriate counseling to the victim and the victim's family. This is particularly important in the case of victims who are incapacitated or minor children. This bill takes a pro-active approach by offering counseling not only to victims and victims' families, but also to the accused. Your Committee feels that the bill represents a fair balance between the rights of the accused, on the one hand, and the rights of victims, on the other.

Your Committee has amended this bill by:

- (1) Moving to the correct position within section 2 of the bill, the misplaced body of a new section to be added to chapter 325, Hawaii Revised Statutes, from its erroneous position following section 4 of the bill; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1767, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1767, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 775 Ways and Means on S.B. No. 1769**

The purpose of this bill is to create a revolving fund for the fees charged by the Hawaii criminal justice data center and related agencies for services related to criminal history record information.

Specifically, this bill requires the data center and state and county criminal justice agencies to charge fees from a schedule of fees for specified services relating to criminal history record checks. Additionally, this bill authorizes the data center to modify the fee schedule, to adjust fees, include fees for other services, and grant other exemptions. Finally, this bill creates a revolving fund for the deposit of fees collected by the data center and related agencies. Moneys in the fund are to be used by the data center for improving the existing record information system.

Your Committee finds that the demand for such information has escalated in recent years. Increased reliance on and dissemination of criminal history record information highlights the need for accurate, timely, and complete information. Improvements to the existing system are justifiably to be funded from fees charged to the users of the system. Furthermore, the data center should be given the flexibility to modify the fee schedule to accommodate and fund different services which may be requested.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1769 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 776 Ways and Means on S.B. No. 1774**

The purpose of this bill is to authorize the departments of the attorney general and commerce and consumer affairs to hire, by contract, special deputy attorneys general, special attorneys for securities enforcement, and special consumer protection attorneys.

Under present law the attorney general has the authority to appoint special deputies, but no specific authority to hire them on a contingent fee basis. Without a contingent fee arrangement, appointed special deputies must be paid on an hourly or fixed fee basis, and payments can turn out to be considerable in complex or high stakes cases where the outcome is difficult to predict. But with a contingent fee arrangement, the State will be responsible only for costs and would share in any recoveries; and the chances of obtaining a recovery should be increased because the attorney general will then be able to pursue matters for which it presently does not have sufficient in-house resources.

Your Committee also finds that extending a similar express authority to the office of consumer protection and the securities enforcement branch of the department of commerce and consumer affairs to hire attorneys on a contingency fee basis will enable them to operate more efficiently. An express authority will facilitate the securities enforcement branch in enforcing judgments outside of Hawaii and in obtaining restitution from persons who have most of their assets outside of Hawaii. Likewise, it will grant the department of commerce and consumer affairs the flexibility of expanding its staff as the caseload warrants, at a fraction of what it would cost to hire additional staff attorneys.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1774 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 777 Ways and Means on S.B. No. 188**

The purpose of this bill is to make an appropriation for improvement of the traffic signal lights at exit 5B on the H-2 freeway in Mililani.

Your Committee finds that improving the traffic signals at a major freeway exit such as this one is consonant with the State's responsibility to maintain and improve public highways.

Your Committee has amended the bill by deleting the amount of the appropriation for the purposes of continuing further discussion until greater clarification of the State's fiscal situation is achieved.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 188, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 778 Ways and Means on S.B. No. 293**

The purpose of this bill is to appropriate \$20,000 for a street lighting program on the island of Hawaii.

The island of Hawaii has over one thousand four hundred miles of roads, second only to Oahu. The state department of transportation is responsible for a large portion of those roads. Proper lighting will decrease the likelihood of accidents. This appropriation is sufficient for ten street lights which will be adequate to improve the safety of at least a few of the most dangerous areas in the county.

Testimony by the department of transportation was in support of this measure but expressed concern that the appropriation should not adversely affect the executive budget.

Your Committee has amended this bill by replacing the appropriation with an unspecified amount to continue the discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 293, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 293, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 779 Ways and Means on S.B. No. 312**

The purpose of this bill is to appropriate \$400,000 for a traffic signal at the intersection of Dickenson street and Honoapiilani highway on the island of Maui.

The proposed traffic light would be installed at an intersection that has already been the site of several pedestrian accidents. A blinking pedestrian crosswalk sign installed several years ago has been unsuccessful in slowing down the vehicle traffic. This bill appropriates \$50,000 for the plans and design and \$350,000 for the construction.

Testimony was unanimously in support of this measure with the proviso by the department of transportation that the appropriation did not adversely affect the executive budget. Your Committee has amended this bill by replacing the appropriation with unspecified amounts and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 312, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 312, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 780 Ways and Means on S.B. No. 343**

The purpose of this bill is to appropriate funds for the realignment of Farrington highway next to Makaha beach park.

Your Committee finds that highway realignments are often designed to improve access either for egress or ingress and in this case, access to Makaha beach park can be made safer with such realignment. The popularity of beach parks around the island cannot be denied as residents and tourists take advantage of every opportunity for sun and sea activities. In this case, improvement of the highway would also allow the city and county of Honolulu to develop comfort stations, landscaping, and parking lots for Makaha beach park, which would further benefit park users.

Your Committee has amended this bill by changing the appropriation to a blank amount in order to await a clarification of the State's fiscal situation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 343, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 343, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 781 Ways and Means on S.B. No. 395**

The purpose of this bill is to appropriate \$100,000 to continue the operations of the windward and leeward state satellite information offices.

The state satellite information offices have been operational since 1990. The offices provide vital services to the general public including neighborhood access to government services. The state satellite offices issue marriage licenses, process state identification cards, and disseminate information from all agencies that include job listings, tax information and forms, applications for rental housing and assistance programs, applications for work permits for minors, as well as information from every other state agency, the different counties, and community service organizations. A one-stop shop for access to government, the state satellite offices also provide electronic access to the legislature through Hawaii FYI terminals, and the use of fax machines free of charge for documents related to state business including legislative testimony.

Your Committee understands that the city and county of Honolulu is negotiating to share the costs for these offices. Therefore, your Committee has amended the bill to replace the appropriation with an unspecified amount to encourage negotiation and discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 395, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 395, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 782 Ways and Means on S.B. No. 478**

The purpose of this bill is to ensure that all public buildings, facilities, and improvements are accessible to and usable by persons with disabilities, and conform to the Americans with Disabilities Act Accessibility Guidelines, and the accessibility guidelines adopted by the department of health's architectural access committee.

Specifically, this bill:

- (1) Requires all plans and specifications for the building, altering, repairing, improving, and renovation of public improvements that are subject to the law relating to the expenditure of public money and public contracts and the Hawaii public procurement code, to be prepared so the improvements are accessible to and usable by persons with disabilities;

- (2) Requires the foregoing improvements to conform to the Americans with Disabilities Act Accessibility Guidelines, and the accessibility guidelines adopted by the department of health's architectural access committee;
- (3) Repeals the law requiring the comptroller and the director of finance to provide an annual report of the number and types of buildings or facilities donated or being donated to the State and counties, and the costs, if any, of bringing those buildings or facilities into compliance with the foregoing guidelines;
- (4) Requires applicable agencies to provide written assurance that:
  - (A) A public improvement has been constructed and inspected in a manner provided for in the plans and specifications approved by the commission; and
  - (B) Any value engineering, field changes, change orders, or construction alterations/deviations are in compliance with established design guidelines;
 prior to final payment for and acceptance of the public improvement;
- (5) Requiring the commission to provide, and all applicable agencies to seek, technical review and approval on construction plans and specifications prior to the commencement of construction;
- (6) Allows the commission to investigate complaints and issue letters of noncompliance with respect to a public improvement that is, or will not be, accessible or usable by persons with disabilities;
- (7) Requires the commission, rather than the director of health, to adopt rules, including procedures to provide prompt review and consideration of construction plans and specifications; and
- (8) Authorize the commission to receive input related to Americans with Disabilities Act and provide interpretive opinions for design specifications not covered in the Americans with Disabilities Act.

Your Committee finds that the laws requiring all state and county buildings and facilities to be accessible to persons with disabilities are too vague to be enforced by the commission on persons with disabilities and the department of health's architectural access committee. As a result of this vagueness, the opening of several important public improvements were delayed until the improvements were made accessible to persons with disabilities, and the State was named in a civil suit for allegedly constructing buildings and facilities that were not accessible to persons with disabilities. In addition to denying equal protection to persons with disabilities, this vagueness forces the State to spend money on expensive, last-minute change orders and attorneys' fees when it should be spending money on other, more important, pursuits.

At the request of the commission on persons with disabilities, your Committee has amended this bill by deleting the provision allowing the commission to investigate complaints and issue letters of noncompliance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 478, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 478, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 783 Ways and Means on S.B. No. 558**

The purpose of this bill is to appropriate funds to install an additional thirteen emergency call boxes along state highways on Kauai.

Your Committee finds that ready accessibility to call box phones for motorists and others will assist in protecting the health, safety, and welfare of state residents. This is particularly critical in the wake of significantly increased traffic volume as what are characterized by law enforcement officials as traffic "incidents".

Your Committee has amended the bill by deleting the amount of the appropriation for discussion purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 558, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 558, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 784 Ways and Means on S.B. No. 787**

The purpose of this bill is to appropriate moneys for Saddle Road access improvements on the Big Island of Hawaii. More specifically \$250,000 is appropriated for planning and design for a connector road on the west Hawaii side where Saddle Road exits from Hilo and \$1,000,000 for an alternate route on the east Hawaii side.

Your Committee finds that these moneys are proposed to be matched with federal funds on a twenty per cent State and eighty per cent federal basis. This cross island highway linking east and west Hawaii has long been a goal of the county of Hawaii. The size of the island of Hawaii makes this linkage vital for accessing both Hilo on the east, and

Kona/Kohala on the west in a speedy manner. The benefits could accrue to businesses which must transport goods back and forth across that island and to the tourists and residents traveling from one side to the other.

Your Committee has amended this bill by deleting the appropriated dollar amounts to allow more time to review the fiscal situation of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 787, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 785 Ways and Means on S.B. No. 853**

The purpose of this bill is to require the director of transportation to install utility cables and other facilities in the vicinity of any federal highway below the ground whenever federal funding to assist in the cost of underground installation is available.

Your Committee finds that suspension poles supporting overhead utility lines along highways are not only unsightly, but they also present unnecessary hazards to motorists. Accident statistics reveal an alarming number of motor vehicle accidents involving utility poles along highways. Although underground utility cable installation is costly, your Committee finds that funding may be available to assist the State under various programs of the federal government. In view of the funds that may be available, and in view of the danger that suspension poles present to motorists, your Committee finds that utility lines along federal-aid highways should be installed below the ground whenever possible.

Your Committee has amended this bill by clarifying the language pertaining to the availability of federal funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 853, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 853, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 786 Ways and Means on S.B. No. 895**

The purpose of this bill is to appropriate funds for the construction and operation of the Hawaii aviation training center.

Your Committee finds that it behooves the State to look at new ways to stimulate the economy by establishing opportunities in new industries. Development and expansion of Hawaii's aviation industry would include the training of pilots, mechanics, air traffic controllers, and aircraft maintenance operators. Opportunities in these fields have not been open to our residents and establishing an aviation training center would be a boost to our economy. Your Committee believes that more aviation professionals will be needed well into the next century as the Asia-Pacific region grows. Geographically and culturally, Hawaii can play a vital role in this growth.

Your Committee recognizes that the aviation center had been projected for placement at the Hilo international airport. As such, it could have been a catalyst for neighbor island economic development. Due to a variety of reasons, it has not yet been possible to start up the program there. However, your Committee still feels that the State should commit itself to begin the early steps necessary towards making the aviation center a reality. Only then can potential clients be brought in, the idea sold to airlines, and other promotional efforts begun.

In order not to close the window on this opportunity, your Committee has amended this bill by changing the appropriation to a blank amount to allow more time for the State's fiscal picture to become clearer.

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

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 787 Ways and Means on S.B. No. 1455**

The purpose of this bill is to appropriate funds for a feasibility study of laying a Sunset Beach bypass road running from Whitmore Village to Laie.

Specifically, the road under study would allow residents and others to bypass the crowded local roads and safely avoid traffic jams and delays. Your Committee understands that north shore roads are often crowded to capacity on weekends and during surfing events, and the crowding affects road conditions extending from Haleiwa to Laie. Such a condition could prove disastrous during medical or other emergencies.

Your Committee has amended this bill by changing the appropriation to an unspecified amount, for purposes of continued discussion in this important matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1455, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1455, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 788 Ways and Means on S.B. No. 1509**

The purpose of this bill is to require the office of veterans' services to inspect and report annually on all state war memorials and veterans' cemeteries for repair and maintenance deficiencies.

Your Committee finds that the State's war memorials are intended to remind future generations about the freedoms for which so many sacrificed so much for us all. Our veterans' cemeteries are the final resting place of our country's fallen heroes and their comrades-in-arms. Both have the same ultimate goal--to honor, but the maintenance of these memorials may reflect something bordering on disrespect and dishonor. Some of our war memorials and veterans' cemeteries no longer have the appearance of being hallowed ground. The recently dedicated Korean-Vietnam Memorial, now less than a year old, is already being stained by water spots, etched by the elements, and is deteriorating because of lack of proper maintenance.

Hawaii's war memorials and veterans' cemeteries are our promise to veterans that their deeds and names will not be forgotten. How this State cares for its war memorials and veterans' cemeteries is a reflection of the esteem in which it holds the men and women who fought and died for their country. We therefore have an obligation to ensure that these war memorials and veterans' cemeteries continue to serve the purposes for which they are intended, and garner the respect that they truly deserve for their country. The enactment of a single law cannot alone undo the years of neglect that have caused some war memorials to deteriorate badly, but this bill will begin to correct the years of neglect by requiring the appropriate state agencies to maintain a level of vigilance with regard to the memorials that has not been shown to date.

Your Committee has amended this bill by making a technical, nonsubstantive amendment for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1509, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1509, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 789 (Majority) Ways and Means on S.B. No. 1514**

The purpose of this bill is to authorize the counties to impose a county general excise and use tax surcharge in lieu of receiving transient accommodations distributions.

This bill authorizes the counties to enact an ordinance that establishes a county excise and use tax surcharge no later than July 1 of any year that is effective on January 1 of the following year. The bill repeals the requirement that revenues from the excise and use tax surcharge be used for a fixed rail or other transit projects and allows the funds to be used for any legal purpose the county authorizes. The bill also repeals all distributions of transient accommodations tax to the counties effective January 1, 1997.

Your Committee heard testimony both supporting and opposing this measure. Testimony in support recognizes that the county excise and use tax surcharge can provide the additional financial resources the counties are requesting. Testimony in opposition to this measure expresses the concern for residents who must bear the increased tax burden. Your Committee has left the rate of the county excise and use tax surcharge unspecified to encourage further discussion on these issues.

Your Committee has amended this bill to require taxpayers to report the surcharge on their monthly, annual, and amended returns in the county where the surcharge is levied and assessed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1514, as amended herein, and attached hereto as S.B. No. 1514, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, 1 (Liu). Excused, none.

**SCRep. 790 Ways and Means on S.B. No. 1538**

The purpose of this bill is to appropriate moneys for safer ingress and egress from Farrington Highway to Kahe "Tracks" beach park.

Specifically, the moneys would be used for design, plans, and construction of an acceleration/deceleration lane and a left turn lane to Kahe "Tracks" beach park. Your Committee finds that this popular beach park fronting the Hawaiian Electric Company's Kahe plant has a public restroom and other improvements which make this beach useable and popular but there is still no medial strip break for turn lanes into the park. The potential danger is that cars will not have sufficient acceleration or deceleration lanes onto or off busy Farrington highway.

Your Committee recognizes the need for safer egress and ingress to this park, but in view of the current tight fiscal situation, has amended this bill by changing the appropriation figure to a blank amount. This amendment will allow a review of the fiscal situation as the session progresses.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 791 Ways and Means on S.B. No. 1559**

The purpose of this bill is to make motor vehicle licensing and registration more efficient.

More specifically this bill:

- (1) Requires that taxes due on a Saturday, Sunday, or legal holiday be payable on the next business day;
- (2) Allows the county director of finance to contract for the registration of new motor vehicles;
- (3) Increases the fee for tax lien and encumbrance entries from 50 cents to \$5;
- (4) Eliminates as a condition for registration of motor vehicles, the payment of outstanding citations and traffic fines; and
- (5) Repeals provisions for refunds of taxes for junked, stored, or stolen vehicles and vehicles removed from Hawaii.

Your Committee finds that government efficiency in expediting motor vehicle transactions is one way that citizens can see their tax dollars being used effectively because so many residents own cars. This bill attempts to begin this process. This bill makes the fees charged for certain services approach the cost of providing them, for example, the \$5 (instead of 50 cent) fee for tax liens and encumbrance entries, and the repeal of refunds of taxes for junked cars.

By eliminating the payment of fines as a condition of registration, a new owner registering the transfer of a vehicle is not burdened with having to prove who was the owner at the time the citation was issued. Allowing the county finance directors to contract with new car dealers for the registration of new vehicles is another area in which cost savings can occur, and convenience increased because registration would be expedited.

Your Committee has amended this bill by amending other statutory sections to delete cross references to those sections of the Hawaii Revised Statutes that have been repealed by this bill. Such amendments are necessary to prevent the existence of "blind" references to sections that no longer exist.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1559, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 792 Ways and Means on S.B. No. 1598**

The purpose of this bill is to allow the department of transportation to dispose of an impounded vessel which remains unclaimed for more than thirty days.

This bill specifically authorizes disposal by the following additional methods: (1) sale by negotiation, (2) disposal as junk, or (3) donation to a government agency.

Your Committee finds that this authorization will provide the department of transportation some practical alternatives. At present, the department can only dispose of impounded vessels through sale by public auction. This bill therefore gives the department much greater flexibility in disposing of impounded vessels that sit unclaimed.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1598, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1598, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 793 Ways and Means on S.B. No. 1601**

The purpose of this bill is to statutorily recognize that "transportation demand management" (TDM) programs are separate from "transportation systems management" (TSM) programs operated by the department of transportation (DOT).

Specifically, this bill adds the term "transportation demand management" to describe programs operated by the DOT as separate from "transportation systems programs." The bill also adds pedestrian and telecommuting programs to the list of TDM programs. Finally, this bill deletes functions and duties transferred to the department of transportation at the time of its establishment from the now defunct department of public works, the Hawaii aeronautics commission, the board of harbor commissioners, and the highway commission.

The term "TSM" was originally defined to include all low-cost improvements and programs that improved traffic congestion. Subsequently, the term "TDM" was developed to describe only the "demand" side of transportation programs while the term "TSM" was employed to describe both the "supply" side as well as the entire universe of all transportation programs. Because functional responsibility for TSM and TDM programs reside in the DOT's highways division and the public affairs office, respectively, there is a need to statutorily recognize both the division of responsibility as well as the reality of two different types of programs.

Your Committee believes that this distinction is necessary and useful especially in light of the recent reorganization of the public affairs office and agrees with the recommendation of the department of budget and finance to statutorily recognize this distinction. Your Committee also believes it is important to include the two other pedestrian and telecommuting TDM programs.

Your Committee has amended this bill to retain the language relating to the functions and duties transferred to the department at the time of its establishment. While the language, at first glance, may appear to be obsolete, those provisions provide a valuable historical perspective on the lineage of certain departmental programs and duties. This in turn provides insight to the structure and functions of state departments and how new duties should logically be apportioned. Similar provisions are contained in each of the sections in chapter 26, Hawaii Revised Statutes, establishing the respective departments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1601, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1601, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 794 Ways and Means on S.B. No. 1634**

The purpose of this bill is to allow the department of defense to receive, expend, use, manage, and invest private gifts of money, services, or property that may be provided for any purpose authorized under the Hawaii national guard youth challenge program (a program for "at risk" youths).

Specifically, this bill:

- (1) Requires a gift of money to be deposited by the director of finance in a separate account in the state treasury and expended in accordance with law and any terms and conditions that may pertain to the gift;
- (2) Makes the expenditures of gifts for the youth challenge program subject to the approval of the adjutant general;
- (3) Makes the department responsible for the management, repair, and maintenance of services and property received;
- (4) Exempts a source making a gift from liability for injury arising from the donated property, except where the injury stems from a defective product or negligence;
- (5) Requires the department to maintain records of each gift, the essential facts of gift management, details relating to expenditures of all money made for the youth challenge program, and the current disposition, use, and condition of each gift held by the department.

Your Committee finds that the department of defense has received a \$4,000,000 federal grant from the National Guard Bureau to operate the Hawaii national guard youth challenge program. This is a federally established program designed to encourage youths "at risk" to work toward the full development of themselves; to experience success in school, work, and home; and to become productive members of society. It is envisioned that the receipt and use of private gifts would help the department to achieve the stated purpose of the youth challenge program. These gifts would be used for such purposes as scholarships for participant graduates, participant morale, welfare and recreation, and community relations. This bill would enable the department to receive, expend, use, manage, and invest gifts for the youth challenge program.

Your Committee has amended this bill by:

- (1) Establishing the youth challenge program under chapter 121, Hawaii Revised Statutes (militia; national guard), rather than chapter 26, Hawaii Revised Statutes (executive and administrative departments), because your Committee finds that this relatively detailed language concerning the implementation of a particular program is not appropriately located in a provision intended to provide the broad scope and structural outline of a state department; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1634, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1634, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 795 Ways and Means on S.B. No. 368**

The purpose of this bill is to allow the State to become a more informed and active player in promoting and marketing tourism in Hawaii.

This bill sets out specific proposal and contract requirements for tourism marketing and promotion projects undertaken with state funds by visitor industry organizations, including the requirement that no state funds may be used by a contracted organization for expenses to administer the contract. It also sets out specific data for the office of tourism to use in evaluating each year the marketing effectiveness of all such state-funded projects.

Additionally, this bill adds a new requirement that the office of tourism maintain a five-year tourism marketing plan into which must be integrated the marketing plans of all visitor industry marketing organizations receiving state funding.

Furthermore, this bill requires the office to submit as annual reports to the legislature its evaluations of the state-funded tourism marketing and promotion contracts, its five-year tourism marketing plan, annual updates to the five-year plan, and annual assessments from the application of the visitor impact management system.

Your Committee supports efforts by the State to take a more active and informed approach to promoting tourism. Your Committee also agrees that public funds for private sector projects should be used discriminately by these organizations for their intended uses.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 368 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 796 Ways and Means on S.B. No. 889**

The purpose of this bill is to make various amendments to the stadium authority law and to centralize the authority to promote stadium-related events within the authority.

The bill specifically: (1) establishes new salary calculation methods for stadium authority management personnel; (2) authorizes the stadium authority manager to hire a secretary; (3) authorizes the use of stadium special fund moneys for the promotion of any event held at the Aloha stadium; and (4) transfers the duties exercised by the department of business, economic development, and tourism with respect to the marketing and promotion of stadium events to the stadium authority.

Your Committee finds that the stadium authority was established by the legislature in 1970 to maintain, operate, and manage the Aloha stadium. While it agrees with the intent of this bill, your Committee finds that the moneys held in the stadium special fund should be reserved and utilized for the uses currently permitted under the law. In this regard, your Committee has amended this bill by deleting the amendment which would have allowed the authority to disburse stadium special fund moneys for the promotion of stadium events.

Your Committee has further amended this bill by:

- (1) Clarifying that the auditor is being directed to conduct a management audit of the sports promotion activities of the department of business, economic development, and tourism as a basis for determining whether transferring those activities to the stadium authority would be more cost effective; and
- (2) Making several technical amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 889, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 797 Ways and Means on S.B. No. 1183**

The purpose of this bill is to establish a temporary convention center neighborhood advisory committee to identify the concerns and views of residents living in communities surrounding the site of the convention center.

Your Committee finds that residents living in the vicinity of the former Aloha Motors dealership have raised a wide array of questions and concerns ever since the site was designated as the site for the state convention center by the legislature in 1993. Soliciting input from the community prior to the development of the convention center will ensure the identification of potential problems at the early stages of the development process. Your Committee finds that a temporary committee comprised of representatives from the communities surrounding the site will greatly enhance the convention center authority's ability to address and resolve these and other community concerns.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 798 Ways and Means on S.B. No. 1210**

The purpose of this bill is to appropriate \$100,000 for pre-tournament planning of the 1996 United States Amateur Public Links Championship scheduled to be played at the Wailua Municipal Golf Course on Kauai.

The Wailua Municipal Golf Course will host the 71st United States Public Links Championship in 1996. The decision by the national organization to hold the contest on Kauai for an unprecedented third time recognizes Wailua as one of the best public golf courses in the country. The publicity and television coverage of this event will have a dramatic impact on the State's economy. It will be a positive direction for Kauai, especially to reinforce to visitors and golfers that Kauai has recovered from Hurricane Iniki.

The conditions of the appropriation require that it be matched on a dollar for dollar basis by the county of Kauai and private sources. Testimony received on this bill was unanimously in support of the appropriation provided that priorities previously indicated in the biennium budgets were not adversely affected. Your Committee has amended this bill by replacing the appropriation with an unspecified amount in order to further the discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1210, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1210, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 799 Ways and Means on S.B. No. 1871**

The purpose of this bill is to appropriate funds to support existing televised golf tournaments in Hawaii.

This bill appropriates an unspecified amount to the promotion of five televised golf tournaments in Hawaii, the Senior Skins, the Hawaiian Open, the Lincoln Mercury Kapalua International, the Kaanapali Classic, and the PGA Grand Slam of Golf. The bill also provides that each tournament shall receive not less than an unspecified amount. The five golf tournaments that are targeted for these promotional funds provide exposure for Hawaii's tourism industry that adds to the overall generation of revenue for the State from many different areas.

Testimony received in support of this bill shows that the rate of return on the investment is a good value.

Your Committee believes that these televised golf tournaments should be supported but are mindful of testimony concerning the coordination of these funds with the overall marketing and advertising campaign of the Hawaii Visitor's Bureau.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1871 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 800 Ways and Means on S.B. No. 1930**

The purpose of this bill is to provide funds for the planning, design, and preparation of an environmental impact statement for the Ala Wai canal improvement project.

Your Committee finds that the Ala Wai canal, bordering Waikiki and serving as the major drainage system for the Waikiki district, has not been dredged since 1978. Since that time, silt, sediment, and debris have accumulated in the canal, limiting its recreational use, and increasing the danger of flooding in Waikiki and surrounding areas. Bottom debris and pollutants have also degraded the condition of the canal. An environmental impact statement will serve as the first step in salvaging, improving, and beautifying the canal.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1930, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1930, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 801 (Majority) Ways and Means on S.B. No. 254**

The purpose of this bill is to exempt agricultural and horticultural organizations from the general excise tax law.

The general excise tax law provides exemptions for various non-profit organizations. The current law does not explicitly provide an exemption for non-profit agricultural or horticultural organizations. These organizations provide essential assistance and support to farmers and other professional and non-professional residents interested in agriculture and horticulture.

Your Committee believes that it is appropriate to provide a general excise tax exemption for agricultural and horticultural non-profit organizations that operate in this State.

Your Committee has amended this bill by adding two new sections to increase the transient accommodations tax rate from six per cent to an unspecified amount and to include the Hawaii Visitor's Bureau along with the counties and the convention center capital and operating special fund for unspecified disbursements of the transient accommodations tax revenues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 254, as amended herein, and attached hereto as S.B. No. 259, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, 1 (Liu). Excused, 2 (Bunda, Solomon).

**SCRep. 802      Ways and Means on S.B. No. 396**

The purpose of this bill is to require the department of education to maintain a minimum staffing level of not less than one full-time equivalent teacher position per grade level per school, for kindergarten to grade six, subject to the collective bargaining agreement on the average statewide class size ratio.

Your Committee finds that the single-room school house is as outmoded as the horse-drawn carriage. Despite constant advances in pedagogy, there are schools in rural areas of the State that still operate like the single-room school houses of that bygone era. Your Committee finds that, except where necessary, students in different grade levels should not be placed in the same classroom simply because there is insufficient enrollment at the school to justify the allocation of one full-time equivalent teacher position to each grade level. Modern pedagogy makes it practically impossible for one teacher to provide quality instruction to students in different grade levels at the same time.

Your Committee also finds that four schools -- Kaaawa, Kilohana, Liliuokalani, and Wailupe -- would benefit from this bill, and that two additional schools -- Maunaloa and Waiahole -- would be close to qualifying for the application of the minimum staffing level mandated by this bill.

Your Committee has amended this bill by prohibiting the department of education from allocating additional funds to maintain the foregoing staffing level.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 396, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 396, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 803      Ways and Means on S.B. No. 928**

The purpose of this bill is increase the threshold for which depository financial services loan companies are required to obtain a real property appraisal.

The code of financial institutions currently requires depository financial services loan companies to comply with the appraisal requirements of the Federal Deposit Insurance Corporation before making any loans or extending credit in amounts in excess of \$100,000 which is secured by real property.

Your Committee recognizes that in light of today's real property values this is an onerous burden on depository financial services loan companies. Your Committee believes the regulations set out by the federal agencies are sufficient safeguards for these types of transactions.

Your Committee has amended this bill by repealing section 412:9-406, Hawaii Revised Statutes, and inserting the provisions regarding compliance with the Federal Deposit Insurance Act and the Federal Deposit Insurance Corporation as requirements when making loans secured by real property.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 928, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 928, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 804      Ways and Means on S.B. No. 1735**

The purpose of this bill is to incorporate the large and small fishing vessel loan programs into the Hawaii capital loan program, and to allow the transfer of moneys among the state disaster revolving loan fund, the Hawaii capital loan revolving fund, and the Hawaii innovation development fund.

Specifically, this bill:

- (1) Repeals the large and small fishing vessel purchase, construction, renovation, maintenance, and repair loan revolving funds;
- (2) Requires (A) the moneys in the large and small fishing vessel purchase, construction, renovation, maintenance, and repair loan revolving funds to be transferred to the Hawaii capital loan revolving fund; (B) all moneys in the large and small fishing vessel revolving loan funds on the effective date of this bill to be transferred to the general fund; and (C) loans for large and small fishing vessels to be made under the Hawaii capital loan program;
- (3) Allows (A) the transfer of moneys among the state disaster revolving loan fund, the Hawaii capital loan revolving fund, and the Hawaii innovation development fund, rather than between only the Hawaii capital loan revolving fund and the Hawaii innovation development fund, and (B) the transfer of not more than \$2,000,000 to each respective fund within the period of time covered under the governor's proclamation of a state disaster;
- (4) Specifies that the state disaster revolving loan fund is to consist of contributions made, and moneys transferred, to the revolving loan fund.

Your Committee finds that the large and small fishing vessel purchase, construction, renovation, maintenance, and repair loan programs have seen little activity since 1988 because of poor economic conditions within the commercial fishing industry and increased competition from other domestic and foreign commercial fishing vessels. Incorporation of the large and small fishing vessel loan programs into the Hawaii capital loan program will simplify the administration of the direct business loan program and provide for more effective and efficient use of moneys to meet the changing composition of Hawaii's business community.

Your Committee also finds that the flexibility to transfer up to \$2,000,000 to the state disaster revolving loan fund from the Hawaii capital loan revolving fund and the Hawaii innovation development fund during a state disaster will permit the State to provide immediate assistance to businesses and individuals with disaster relief and rehabilitation needs.

Your Committee has amended this bill by:

- (1) Specifying that only encumbered moneys in the large and small fishing vessel purchase, construction, renovation, maintenance, and repair loan revolving funds are to be transferred to the Hawaii capital loan revolving fund;
- (2) Specifying that only unencumbered moneys in the large and small fishing vessel revolving loan funds on the effective date of this bill are to be transferred to the general fund;
- (3) Clarifying that not more than \$2,000,000 may be transferred to the state disaster revolving loan fund from the Hawaii capital loan revolving fund and the Hawaii innovation development fund (rather than among the three funds) within the calendar year (rather than a specific period of time) if the governor proclaims a state disaster;
- (4) Changing its effective date to July 1, 1995; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1735, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1735, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 805      Ways and Means on S.B. No. 202**

The purpose of this bill is to promote and support comprehensive environmental education initiatives and programs as a matter of state policy.

Specifically, this bill:

- (1) Makes it a policy of the State to promote and actively support a statewide comprehensive environmental education initiative to effectively and constructively solve existing environmental problems, prevent new problems, and maintain a sustainable environment of high quality for future generations;
- (2) Takes away the discretion of state agencies to consider the practicability of the state environmental policy guidelines in the development of programs;
- (3) Requires all agencies, in the development of programs, to consider the following guidelines for education and culture:
  - (A) Facilitate and support the development and establishment of cooperative environmental education initiatives with the private sector;

- (B) Develop, adopt, and implement a statewide plan for environmental education;
  - (C) Develop and provide continued support for a statewide database of environmental education programs, services, and curricula;
  - (D) Provide pre-service and in-service teacher training in environmental education; and
  - (E) Establish post-secondary environmental education and training programs to provide qualified personnel and to enhance environmentally sensitive economic activity within the State;
- and

- (4) Allows all agencies to receive monetary donations and gifts, from sources other than the legislature or federal government, for the conservation of natural resources.

Your Committee finds that an environmentally literate citizenry is Hawaii's best hope for solving existing environmental problems, preventing the occurrence of new problems, and maintaining a sustainable environment of high quality for future generations. Environmental literacy begins with environmental education, and the best hope for institutionalizing environmental education is to promote and support comprehensive environmental education initiatives and programs as a matter of state policy.

Your Committee has amended this bill by:

- (1) Deleting an amendment that would have taken away the discretion of state agencies to consider the practicability of the state environmental policy guidelines in the development of programs; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 202, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 202, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 806 Ways and Means on S.B. No. 1739**

The purpose of this bill is to clarify the intent and authority of the clean Hawaii center.

Your Committee finds that the purpose of the center is to work in partnership with business and government to develop and expand commercial markets for recyclable materials, recycled content products, and to facilitate recycling and environmental business and technology development. The goal of reducing waste is particularly important in a state such as Hawaii, with limited space for waste disposal and no easy access to alternative waste disposal sites.

The clarifications in the bill include:

- (1) Specifying that the department of business, economic development, and tourism shall administer the center;
- (2) Establishing that nothing in the Act creates a liability in favor of any person or entity;
- (3) Expanding the scope of the center's powers, including the right to contract for management and operations; to accept donations, grants, bequests, and devises; and to disburse moneys in the clean Hawaii fund;
- (4) Specifying grant requirements;
- (5) Making additional provisions regarding the governing board; and
- (6) Moving the clean Hawaii funds from chapter 342G to chapter 210, Hawaii Revised Statutes, and expanding its scope.

Your Committee finds that the clarifications in this bill will help the center act more effectively in fulfilling its mission.

Your Committee has amended this bill by:

- (1) Providing that the department of business, economic development, and tourism shall, rather than may, have the necessary powers to carry out the purposes of Act 202, Session Laws of Hawaii 1994;
- (2) Changing the date of transfer of the unexpended or unencumbered funds from the clean Hawaii fund to June 29, 1999 instead of June 30, 1999 to avoid problems with the repeal date of the fund; and
- (3) Specifying the Act for the purposes of which the funds in the clean Hawaii fund may be expended.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1739, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1739, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 807 Ways and Means on S.B. No. 1920**

The purpose of this bill is to establish the Waikiki aquarium as the state aquarium under the ownership and direction of the University of Hawaii.

Additionally, this bill provides for the transition of management to a private nonprofit entity under contract with the university.

Your Committee finds that a 1982 attorney general opinion opined that the University of Hawaii has the authority to enter into contracts with outside entities for the management and operation of the Waikiki aquarium. This authority will be needed shortly because the aquarium's present agreement with the research corporation of the University of Hawaii will expire on June 30, 1995, leaving the aquarium with no system for retaining some of its full-time non-state employees. Your Committee further finds that the aquarium appears to be operating already as a quasi-private institution, for it is assisted by the private nonprofit entity, friends of Waikiki aquarium.

Your Committee has made some technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1920, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1920, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 808 (Joint) Ways and Means and Agriculture, Labor, and Employment on S.B. No. 1665**

The purpose of this bill is to abolish the governor's agriculture coordinating committee (GACC) by transferring its functions and duties to the department of agriculture.

This bill also adds the dean of the college of tropical agriculture and human resources of the University of Hawaii as an ex officio voting member of the board of agriculture, and appropriates funds for the purposes of this bill.

Although your Committee agrees with the necessity to consolidate public resources devoted to agriculture, your Committee finds that this objective may more effectively be accomplished by transferring the GACC to the agribusiness development corporation for administrative purposes rather than by abolishing the GACC. Your Committee finds that the GACC will be able to contribute its knowledge and expertise to the functions of the corporation, which itself is attached to the department of agriculture for administrative purposes pursuant to section 163D-3(a), Hawaii Revised Statutes. The GACC, which is renamed the "agriculture coordinating committee", will therefore be affiliated with the department of agriculture as a form of subagency for administrative purposes.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the sum appropriated with a blank amount. Your Committee has further amended the bill to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means and Agriculture, Labor, and Employment that is attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1665, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1665, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Bunda, Solomon, Taniguchi, Anderson).

**SCRep. 809 (Majority) Ways and Means on S.B. No. 923**

The purpose of this bill is to change the amount of food/excise tax credit under the income tax law.

This bill amends the food/excise tax credit in the income tax law by replacing the current amounts with unspecified amounts.

Testimony received from the Democratic Party of Hawaii in support of this measure assumed there will be an increase in the amount of the credit. The testimony notes that the credit has not been increased for several years regardless of previous requests to keep the credit on par with current food expenses. Testimony also in support of this measure from the department of taxation assumes that the amount of the credit will be reduced to assist in retaining state revenues during this fiscally sparse period.

Testimony in opposition to the bill assumes a decrease in the amount of the credit, and expresses concerns about the resident taxpayer and their increasing tax burden if the food/excise tax credit is reduced.

Your Committee believes the current economic situation in the State requires the legislature to remain flexible at this time. As the State's revenue picture clears and other fiscal measures fall into place, further adjustments in the food/excise tax credit may become necessary. For this reason, your Committee finds it necessary to leave the contents of this bill in its present form.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 923, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, 1 (Liu). Excused, 3 (Bunda, Solomon, Taniguchi).

**SCRep. 810 Human Services on H.B. No. 1921**

The purpose of this bill is to conform Hawaii's statutes to federal mandates for health insurance and Medicaid Program requirements.

Under the Omnibus Budget Reconciliation Act of 1993, states are mandated to adopt legislation as follows:

- (1) To prohibit insurers from taking Medicaid eligibility into account when providing insurance coverage;
- (2) To require insurers to provide group health plan coverage for dependent adopted children of Medicaid beneficiaries or participants; and
- (3) To provide for insurance coverage for dependents involved in child support situations.

Your Committee received supporting testimony for this administration measure from the Department of Human Services and the State Insurance Commissioner that this bill is necessary to allow the State to continue to receive federal matching funds for the Medicaid program.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1921 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 811 Human Services on H.B. No. 1987**

The purpose of this bill is to extend the repeal date for the non-medicaid personal care program from June 30, 1995, to June 30, 1997.

This program enables the disabled, chronically ill, and frail elderly, who are not eligible for Medicaid, to receive medical support services. Recipients pay for these services on a sliding fee system based on income, assets, and family size, as established by the Department of Human Services. The balance is paid from the State's general fund. According to supporting testimony of the Department of Human Services for this administration bill, the State's share is already included in its current budget for the fiscal biennium.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 812 Planning, Land and Water Use Management on S.C.R. No. 4**

The purpose of this Concurrent Resolution is to request the Auditor to study the feasibility of making the Commission on Water Resource Management a permanent, full-time commission.

Under present law, the Commission on Water Resource Management is established under the State Water Code as a part-time body to decide on all matters relating to the implementation and administration of the State Water Code.

Your Committee finds that water quality and availability are crucial enough to necessitate that the State recognize its responsibility to stridently protect and judiciously allocate this most precious and finite resource. Your Committee further finds that a full-time commission may be warranted for this purpose, but that the Auditor should first study this issue and report on it before the legislature makes a decision.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 4 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Holt, Ihara, Anderson).

**SCRep. 813 Planning, Land and Water Use Management on S.R. No. 6**

The purpose of this Resolution is to request the Auditor to study the feasibility of making the Commission on Water Resource Management a permanent, full-time commission.

Under present law, the Commission on Water Resource Management is established under the State Water Code as a part-time body to decide on all matters relating to the implementation and administration of the State Water Code.

Your Committee finds that water quality and availability are crucial enough to necessitate that the State recognize its responsibility to stridently protect and judiciously allocate this most precious and finite resource. Your Committee further finds that a full-time commission may be warranted for this purpose, but that the Auditor should first study this issue and report on it before the legislature makes a decision.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 6 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Holt, Ihara, Anderson).

**SCRep. 814 Human Services on S.R. No. 14**

The purpose of this Resolution is to extend the life of the Child Welfare Services Reform Task Force to develop a blueprint for reform in Child Protective Services (CPS).

The Child Welfare Services Reform Task Force was created pursuant to Senate Concurrent Resolution No. 89, Regular Session of 1994, to develop a blueprint for reform in child protective services, in view of the increase in child abuse and neglect cases and in response to the 1992 study of the Legislative Reference Bureau which concluded that few, if any evaluations, had been conducted on the effectiveness of the intervention of CPS to resolve child abuse and neglect in the State.

Your Committee finds that there is a need for one additional year for the Task Force to develop a blueprint because the project has received wider attention, focus, and participation than originally anticipated. The Task Force is directed to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1996.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 14 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 815 Human Services on S.C.R. No. 16**

The purpose of this Concurrent Resolution is to extend the life of the Child Welfare Services Reform Task Force to develop a blueprint for reform in Child Protective Services (CPS).

The Child Welfare Services Reform Task Force was created pursuant to Senate Concurrent Resolution No. 89, Regular Session of 1994, to develop a blueprint for reform in child protective services, in view of the increase in child abuse and neglect cases and in response to the 1992 study of the Legislative Reference Bureau which concluded that few, if any evaluations, had been conducted on the effectiveness of the intervention of CPS to resolve child abuse and neglect in the State.

Your Committee finds that there is a need for one additional year for the Task Force to develop a blueprint because the project has received wider attention, focus, and participation than originally anticipated. The Task Force is directed to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1996.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 816 Planning, Land and Water Use Management on S.R. No. 20**

The purpose of this resolution is to request the state administration to review the viability of the marine patrol unit with a view towards transferring it from the department of public safety to the department of land and natural resources.

Your Committee finds that over the past decade, the marine patrol unit has often been a subject of study in trying to determine how the State should enforce marine regulations and under which agency the unit should be placed. Your Committee further finds that a recent report from the Auditor indicated that the function appropriately belongs within the department of land and natural resources, and thus a review by the administration seems warranted at this time.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 20 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Holt).

**SCRep. 817 Planning, Land and Water Use Management on S.C.R. No. 24**

The purpose of this concurrent resolution is to request the state administration to review the viability of the marine patrol unit with a view towards transferring it from the department of public safety to the department of land and natural resources.

Your Committee finds that over the past decade, the marine patrol unit has often been a subject of study in trying to determine how the State should enforce marine regulations and under which agency the unit should be placed. Your Committee further finds that a recent report from the Auditor indicated that the function appropriately belongs within the department of land and natural resources, and thus a review by the administration seems warranted at this time.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Holt).

**SCRep. 818 Planning, Land and Water Use Management on S.R. No. 13**

The purpose of this Resolution is to request the Department of Land and Natural Resources to establish a joint monitoring program on the island of Hawaii to improve natural resources management efforts.

The joint effort is to include community volunteers to assist state professionals in research and survey efforts such as in game counts, migration studies, habitat area assessments, and native species inventories.

Your Committee finds that the successful protection, management, and utilization of the State's valuable forest resources require community involvement and input into the conservation process.

Your Committee believes that the Department of Land and Natural Resources should also work with the Natural Areas Working Group as to management objectives and activities to manage native ecosystems and hunting on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 13 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Holt, Ihara, Anderson).

**SCRep. 819 Planning, Land and Water Use Management on S.C.R. No. 15**

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to establish a joint monitoring program on the island of Hawaii to improve natural resources management efforts.

The joint effort is to include community volunteers to assist state professionals in research and survey efforts such as in game counts, migration studies, habitat area assessments, and native species inventories.

Your Committee finds that the successful protection, management, and utilization of the State's valuable forest resources require community involvement and input into the conservation process.

Your Committee believes that the Department of Land and Natural Resources should also work with the Natural Areas Working Group as to management objectives and activities to manage native ecosystems and hunting on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 15 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Holt, Ihara, Anderson).

**SCRep. 820 Planning, Land and Water Use Management on S.R. No. 17**

The purpose of this resolution is to request the department of land and natural resources to identify unprotected wetlands important to the State.

Your Committee finds that Hawaii's wetlands are an indigenous natural resource which are inhabited by rare and endangered plant and animal species. Your Committee further finds that a statewide inventory of unprotected wetlands within the State would assist in prioritizing efforts to protect and conserve this valuable resource.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 17 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 821 Planning, Land and Water Use Management on S.R. No. 19**

The purpose of this resolution is to request the department of land and natural resources to study the costs and personnel needs of providing for monitoring of vegetation overgrowth of state streams.

Your Committee finds that the actual and potential damage to property caused by stream flooding is a concern of many residents throughout the State. Your Committee further finds that chronic stream flooding problems are often caused by overgrowth of vegetation which is not regularly monitored by any one entity.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 19 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Holt).

**SCRep. 822 Planning, Land and Water Use Management on S.C.R. No. 21**

The purpose of this concurrent resolution is to request the department of land and natural resources to identify unprotected wetlands important to the State.

Your Committee finds that Hawaii's wetlands are an indigenous natural resource which are inhabited by rare and endangered plant and animal species. Your Committee further finds that a statewide inventory of unprotected wetlands within the State would assist in prioritizing efforts to protect and conserve this valuable resource.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 21 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 823 Planning, Land and Water Use Management on S.C.R. No. 23**

The purpose of this concurrent resolution is to request the department of land and natural resources to study the costs and personnel needs of providing for monitoring of vegetation overgrowth of state streams.

Your Committee finds that the actual and potential damage to property caused by stream flooding is a concern of many residents throughout the State. Your Committee further finds that chronic stream flooding problems are often caused by overgrowth of vegetation which is not regularly monitored by any one entity.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Holt).

**SCRep. 824 Planning, Land and Water Use Management on H.B. No. 2013**

The purpose of this bill is to include state marine waters within the definition of conservation district and to clarify the requirements for conservation district use permits.

This bill includes "state marine waters" within the definition of "conservation district" under section 183C-2, Hawaii Revised Statutes. This bill also:

- (1) Allows an applicant or the board of land and natural resources (BLNR) to request an extension of time where a special management area permit is required;
- (2) Provides that additional unlimited extensions of time may be authorized upon request of the applicant or on the BLNR's own motion; and
- (3) Eliminates contested case hearings as a basis for requesting an extension of the time required to process a conservation district use permit application.

Testimony received from the BLNR indicated that a recent court order has ruled that the current section 183C-6, Hawaii Revised Statutes, violates due process because it only allows the applicant to make requests for an extension of the 180-day processing period for the conservation district use permit application. This bill addresses this due process concern by allowing the BLNR to move for an extension of time on its own motion.

Your Committee finds that the bill as drafted does not impose any time limits on the BLNR to complete contested case hearings related to conservation district use permit applications. Your Committee also finds that there is also a need to provide closure to the contested case process. As such, your Committee has amended this bill by retaining contested case hearings as one of the grounds for requesting extensions of time, and limiting any extension of the 180-day processing

period to a single period of no more than 180 days. This extension will give the BLNR a total of one year to conduct any contested case hearing.

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

Your Committee received supporting testimony for this administration measure from the BLNR, the Office of State Planning, and the Department of Land Utilization of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2013, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2013, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Holt, Matsunaga).

#### **SCRep. 825 Transportation and Government Affairs on H.B. No. 7**

The purpose of this bill is to provide that only necessary and specified information is placed on the temporary motor vehicle plate.

Your Committee received testimony in support of the bill from the Director of Finance for the City and County of Honolulu. Your Committee was informed that the temporary plates were being used for advertising, drawings, and "thank you" notes from the car dealers. This clutters up and detracts from the ready visibility of pertinent information required to be on the temporary plate.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 826 Planning, Land and Water Use Management on H.B. No. 486**

The purpose of this bill is to extend immunity to private landowners under the landowners liability law for use of property for Native Hawaiian purposes.

Chapter 520, Hawaii Revised Statutes, specifies the duty of care, and limitations and exceptions to liability of a landowner with respect to recreational uses of property by others. This bill would extend the same limitations and exceptions to uses for Native Hawaiian purposes.

Your Committee finds that this bill serves to limit the liability of landowners, and should not be construed in any way as a mandate to compel landowners to provide access to their property for native Hawaiian purposes.

Your Committee received supporting testimony from the Board of Land and Natural Resources and the Hawaii Trial Lawyers Association.

Your Committee has made technical, nonsubstantive amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 486, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 486, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Holt, Matsunaga).

#### **SCRep. 827 Planning, Land and Water Use Management on H.B. No. 937**

The purpose of this bill is to make interference with access to a public beach, shoreline, or other public recreational area a petty misdemeanor.

Based on testimony received by your Committee, your Committee finds that the bill as drafted has broad applications so as to impose:

- (1) Criminal penalties for legitimate demonstrations, possibly interfering with an individual's constitutional First Amendment rights; and
- (2) Inappropriate criminal sanctions for otherwise legitimate activities, for example, legitimate picket line associated with strikes involving public recreational areas.

Your Committee further finds that the imposition of civil sanctions, rather than the creation of a new criminal penalty, is more appropriate to address the problem of interference with public access. Information received by your Committee indicated that current personnel and budgetary constraints, as well as possible legal limitations, may preclude the enforcement of interference with public access throughout the state, including public access over county and private

property. As such, as a step towards addressing these concerns, your Committee finds that the scope of the bill should be narrowed to impose sanctions only for unwarranted interference with trails and accesses (as defined in chapter 198D, Hawaii Revised Statutes) under the jurisdiction of the department of land and natural resources.

Your Committee has amended this bill by:

- (1) Replacing the provisions in Section 1 with language providing for similar prohibitions but decriminalizing the offense by creating a system of civil sanctions to be imposed by the board of land and natural resources;
- (2) Narrowing the scope of the bill to limit sanctions to those instances where certain structures physically block trails and accesses (as defined in chapter 198D, Hawaii Revised Statutes) under the jurisdiction of the department of land and natural resources; and
- (3) Adding a definition of "board" to section 198D-1, Hawaii Revised Statutes, to further clarify amendments to chapter 198D, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 937, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Matsunaga).

**SCRep. 828 (Joint) Planning, Land and Water Use Management and Agriculture, Labor, and Employment on H.B. No. 1789**

The purpose of this bill is to facilitate the effectuation of the bankruptcy agreement of Hamakua Sugar Company.

This bill allows the Board of Agriculture to operate and maintain the lower Hamakua Ditch for the period specified in the bankruptcy agreement and to fix and adjust water rates and charges for land occupiers and other water users to fund said operation and maintenance should state involvement become necessary.

Your Committees find that this bill would assure the continued operation and maintenance of the lower Hamakua Ditch for the interim period as set forth in the bankruptcy agreement, thereby assuring the continuance of agriculture for this area at least during this time.

Your Committees received supporting testimony from the Board of Agriculture, the International Longshoremens' and Warehousemen's Union, and the Hamakua/North Hilo Agricultural Cooperative.

Your Committees have made technical, nonsubstantive amendments for clarity and proper statutory drafting style.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Agriculture, Labor, and Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1789, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1789, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Holt, Matsunaga, Solomon).

**SCRep. 829 (Joint) Agriculture, Labor, and Employment and Consumer Protection on H.B. No. 2133**

The purpose of this Act is to amend Hawaii's workers' compensation and insurance laws to improve the program's efficiency and cost effectiveness.

Since the reforms of 1985, the costs of medical care, services, and supplies have skyrocketed and produced significant increases in workers' compensation insurance premiums and costs. As a consequence, a growing number of employers have been displaced from the voluntary market and have been forced to obtain insurance coverage through an assigned risk pool.

This bill has been amended to initiate fundamental changes in critical problem areas.

Section 1 of the bill changes the definition of "physician" to "doctors of medicine and dentists". Under existing law a "physician" is responsible for managing the injured worker's medical recovery and is the gatekeeper to treatment by other "health care providers". Ideally, the "physician" should provide primary care and serve as the attendant to other medical care, services, and supplies which are reasonably needed. The workers' compensation system was initially designed as a form of managed care with doctors of medicine and dentists in charge of ensuring quality patient care at a reasonable cost.

As various employer representatives have noted, the distinction between "physician" and other "health care providers" has been virtually eliminated and the role of gatekeeper fallen into myth. The Haku Alliance and the Chamber of Commerce advocate a redefinition of "physician" and cite the Tillinghast closed claims study to substantiate a need for managed care. It is estimated that persons other than doctors of medicine and dentists receive more than 40 percent of total medical payments with physical therapists and chiropractors accounting for 22 percent and 12 percent, respectively. Your Committees agree that by redefining "physician," medical care, services, and supplies will be more efficiently and effectively utilized.

Section 2 of the bill authorizes the Director of Labor and Industrial Relations (Director) to obtain from prepaid health plan contractors the maximum allowable medical fees under chapter 393, Hawaii Revised Statutes. This will permit the Director to eliminate a significant disparity in allowable medical fees and rates between work injury cases and nonwork related injuries and illnesses. The intent is to bring workers' compensation fees and rates more in line with prevailing community health care rates.

Recent studies by the Director indicate that the workers' compensation medical fee schedule is 142 percent of the national average and over 200 percent of medicare charges. This is a result, in part, of the automatic cost of living adjustments mandated by statute since 1985. Under section 3 of the bill, the Director is required to reduce allowable medical fees to levels commensurate with medicare reimbursement allowances. Provisions for cost of living adjustments have been appropriately modified.

Section 4 of the bill underscores the importance of regulating the frequency of treatments and utilization by all "health care providers". The Director is mandated to revise existing guidelines so that all treatments in excess of nineteen visits be subject to uniform standards, whether the "health care provider" be a physician or a non-physician. Without increased regulatory oversight of medical utilization and frequency of treatments, reductions in health care costs may not be fully realized.

Section 5 of the bill is intended to address the ever increasing cost of medical examinations which are not directed to improved medical care and recovery of the injured worker. Under existing regulations, so-called "independent" examinations cost as much as \$3,000 per case and remain wholly unregulated in number or frequency. The State as a whole can ill afford such practices which are duplicative and wasteful.

Section 6 of the bill eliminates the requirement that medical reports be filed by "health care providers" every twenty-one days. Your Committees believe that existing statutes promote unnecessary medical visits and add to the bureaucratic costs of providing health care. Reporting requirements have been modified to verify continuing treatments, periods of temporary disability, and the extent of permanent disability on a case-by-case basis.

As a review of the foregoing sections of the bill suggests, reducing medical costs is a complex, but necessary undertaking. Today, more than forty-two cents of every premium dollar for workers' compensation insurance goes to pay for medical care, services, and supplies. Your Committees believe that this medical cost component is the most important cost driver. The manner in which health care is managed is central to reducing the costs of the program as a whole. This bill will substantially reduce current premium levels which employers must pay.

Part II of the bill is aimed at providing insurance reform in light of the increasing number of employers covered by the assigned risk pool. Under existing laws, placement in and out of the assigned risk pool occurs without criteria or standard. There are no incentives to remove insured risks from the residual market.

Section 7 of the bill provides for the formulation of experience rating plans which set forth reasonable eligibility standards, incentives for loss prevention, premium differentials to encourage safety, and equitable limitations to deal with adverse effects of corporate changes. Additionally, the residual market plan shall include rules for the classification of risks and rates, and a method of annually determining loss and expense experience. Insureds who are placed in the pool shall be notified within ten days of placement into the plan.

Incentives to remove insured risks from the residual market are provided in the form of "take out credits" applied against the insurer's residual market assessment base. The schedule of credits covers a period of three years. The bill requires that the amount and kind of coverage to be offered to those returning to the voluntary risk category to be no less than those afforded by the policy being replaced.

Section 8 of the bill requires the Auditor to conduct a comprehensive management and financial audit of the assigned risk pool program. A preliminary report shall be submitted to the Legislature in 1996 and a final report in 1997.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2133, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2133, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Aki, levin).

**SCRep. 830 Human Services on S.C.R. No. 14**

The purpose of this Concurrent Resolution is to request the Director of Human Services to examine the Oregon Medicaid waiver system for assisted living facilities and to consider its application to Hawaii.

The assisted living program is a special combination of housing, health care services, and personalized supportive services designed to respond to individual needs.

Under present federal law, Hawaii's assisted living program does not qualify for Medicaid funding, unlike some other community-based programs such as Nursing Home Without Walls. To receive federal funding for the assisted living program, the State must apply for a Medicaid waiver.

Your Committee believes that Hawaii may be able to qualify for a Medicaid waiver for assisted living programs similar to that of Oregon and some other states which may have programs that are more effective for Hawaii.

Your Committee has amended this Concurrent Resolution to require examination of other states such as Washington, Maryland, Minnesota, and Texas, which may have effective models, and direct the Director to work with interested community groups in the development of a program qualifying for a Medicaid waiver in order to get broad community input.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 14, 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. 14, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 831 Health on H.B. No. 1971**

The purpose of this bill is to provide consistency between federal and state laws in the regulation of medical devices.

Your Committee notes that existing law limits the Department of Health's ability to enforce compliance with federally-established rules known as "good manufacturing practices" (GMPs) to drug products only. GMPs describe the proper methods, facilities, and controls for the manufacture, packaging, storage, and installation of all devices for human use. The Code of Federal Regulations contains GMPs not only for drug products, but also for medical devices.

Your Committee finds that this measure is in the public interest since it gives the Department of Health the authority to regulate the manufacturing of medical devices under federally-established GMPs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 832 Health on H.B. No. 898**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds of up to \$45,000,000 for the Kapiolani Health Care System and its not-for-profit subsidiaries to finance capital costs related to construction, renovation, and capital equipment purchases.

This bill also repeals the June 30, 1995, sunset provision for health care facility special purpose revenue bonds to ensure that the special purpose revenue bonds authorized by this measure can be issued.

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 of the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 898, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 833 Health on H.B. No. 1559**

The purpose of this bill is to maintain the existence of community-based primary health care centers throughout the State by repealing the sunset date from Act 70, Session Laws of Hawaii 1992, which established the system of community-based primary health care centers.

This bill also replaces the reference to the "state health insurance program" with a reference to "an emerging managed care system for state-supported health care."

Your Committee finds that this measure is necessary in order to maintain the high quality of health care in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1559 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 834 Health on H.B. No. 1683**

The purpose of this bill is to provide for a permanent statewide program on HIV and AIDS by establishing a State Commission on HIV/AIDS.

Your Committee received testimony in support of this bill from the Department of Public Safety, the Acting Director of the Governor's Committee on HIV/AIDS, Kapiolani Health Care System, and other interested persons. The Departments

of Health and Human Services testified in support of this bill, but indicated reservations regarding the bill's fiscal implications.

Your Committee has amended this bill by:

- (1) Placing the commission within the Office of the Lieutenant Governor, rather than within the Department of Health, for administrative purposes;
- (2) Providing that, of the appointed commission members, there shall be at least one member from each of the counties of Hawaii, Honolulu, Kauai, and Maui;
- (3) Clarifying that the chairperson shall be elected annually by all members of the commission, and shall not be a representative of the government or a governmental agency;
- (4) Deleting reference to the appointment of an executive secretary;
- (5) Deleting the requirement that the commission's review and revision of state policies for HIV/AIDS be in conformance with existing federal and state recommendations and requirements; and
- (6) Providing that the commission shall submit reports to the Governor, the Legislature, and state departments, as the commission may deem appropriate, rather than on an annual basis.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1683, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1683, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 835 Health on H.B. No. 1980**

The purpose of this bill is to require the Department of Health to establish application and certification fees for forensic examiners to be used for activities relating to the application, training, certification, monitoring, and maintenance of this certification program.

Your Committee recognizes the need for qualified and properly trained forensic examiners and the need to appropriate sufficient funds to maintain the effective regulation of the examiners in this certification program. Your Committee believes that allowing the Department of Health to use collected fees to help defray the costs of carrying out the certification process will partially fund the operation of the program.

Your Committee has amended this bill by deleting, as superfluous, the reference to administrative maintenance in connection with the types of activities relating to the certification program to be supported by collected fees.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1980, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1980, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 836 Health on H.B. No. 2026**

The purpose of this bill is to update the state controlled substances act to comport with the federal act and to add Butorphanol (Stadol) as a Schedule IV controlled substance.

Your Committee finds that the controlled substances, with the exception of Butorphanol (Stadol), that are referred to in this bill are updates or corrections made by the federal government since the last legislative session.

Butorphanol (Stadol) is considered a prescription drug and does not fall under the control of the Uniform Controlled Substances Act. However, your Committee finds that Butorphanol (Stadol) is being used in conjunction with other prescription drugs to produce in the user a drug induced euphoric state and should be classified as a Schedule IV controlled substance due to its potential for abuse.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2026 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 837 (Joint) Health and Human Services on S.C.R. No. 12**

The purpose of this Concurrent Resolution is to request that all state agencies that provide services to the public review their service delivery programs to ensure the inclusion of all qualified limited English and non-English speaking clients in their service programs and to develop plans to address any deficiencies identified.

Your Committees find that nearly one of every five residents in the State speaks a language other than English in their home. Your Committees further find that providing equal access to state services for those without English proficiency ensures equal protection under the laws which prohibit discrimination against individuals based upon their national origin.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 12, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 12, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Aki).

**SCRep. 838 Human Services on S.R. No. 27**

The purpose of this Resolution is to urge a study on the merits of a single entry point for long term care services.

Your Committee is cognizant of the myriad of complex and intertwined issues involved in the concept of integrating support services involving a multidisciplinary approach for purposes of enhancing efficiency and coordination. However, your Committee believes that this concept is worth exploring in detail.

Your Committee received supporting testimony from the Executive Office on Aging.

On recommendation of the testimony of the Chamber of Commerce of Hawaii, your Committee has amended this Resolution:

- (1) To add disabled children and disabled younger adults because they utilize some of the same services as elderly adults; and
- (2) To request the Legislative Reference Bureau to conduct this study rather than the Governor.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 27, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 27, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 839 Human Services on S.C.R. No. 33**

The purpose of this Concurrent Resolution is to urge a study on the merits of a single entry point for long term care services.

Your Committee is cognizant of the myriad of complex and intertwined issues involved in the concept of integrating support services involving a multidisciplinary approach for purposes of enhancing efficiency and coordination. However, your Committee believes that this concept is worth exploring in detail.

Your Committee received supporting testimony from the Executive Office on Aging.

On recommendation of the testimony of the Chamber of Commerce of Hawaii, your Committee has amended this Concurrent Resolution:

- (1) To add disabled children and disabled younger adults because they utilize some of the same services as elderly adults; and
- (2) To request the Legislative Reference Bureau to conduct this study rather than the Governor.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of 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 the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 840 (Joint) Health and Human Services on S.C.R. No. 37**

The purpose of this Concurrent Resolution is to request the Governor to establish a health and social services block grant task force to monitor the progress of federal block grant proposals.

Your Committees find that the U.S. Congress is presently debating the repeal of various health and social service programs and the consolidation of funding for others into block grants to the states. Your Committees further find that

the state administration needs to be aware of and monitor federal program changes and be prepared to establish state health and social services program priorities based upon the outcome of any federal actions.

The Concurrent Resolution requests the governor to include "members of the public" on the task force. Your Committees intend that "members of the public" may include business, labor unions, non-profit organizations, and recipients of money payments and services covered by the block grants.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees 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 the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Aki).

#### **SCRep. 841 Health on S.C.R. No. 5**

The purpose of this concurrent resolution is to request the Department of Health and the Judiciary to convene a task force that will perform a study of the management and treatment of persons found not responsible for their behavior due to physical or mental disease, disorder, or defect in the State of Hawaii.

Specifically, the study will provide:

- (1) A review of chapter 704, Hawaii Revised Statutes (penal responsibility and fitness to proceed);
- (2) A description of Hawaii's acquittees at the time of acquittal, and the manner in which these acquittees are managed and treated in the State;
- (3) A review of models from other states;
- (4) A recommendation of a model which balances protection of society with the civil liberty interests of acquittees;
- (5) A cost comparison between the current system of managing and treating acquittees and the recommended model; and
- (6) Enabling legislation necessary to carry out the task force's recommendations.

In 1982, the Hawaii Crime Commission report recommended the establishment of guidelines for monitoring conditionally released defendants acquitted on the basis that these persons were not criminally responsible for their behavior. In these cases, the court is provided with a range of possible dispositions from mandatory hospitalization to release of the defendant in the community with various levels of supervision. At present, the courts have an apparent difficulty in implementing workable community releases to strike a balance between public protection and individual liberty. Furthermore, the probation officers and the mental health professionals' responsibilities for monitoring and treating these acquittees are not clearly set. The Committee to Conduct a Comprehensive Review of the Hawaii Penal Code, established pursuant to Act 284, Session Laws of Hawaii 1993, recommended the establishment of a task force to address these issues and others relating to monitoring and managing these acquittees found "not guilty by reason of insanity."

Your Committee has made technical and nonsubstantive changes to this Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 5, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 5, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

#### **SCRep. 842 (Joint) Human Services and Health on S.C.R. No. 31**

The purpose of this Concurrent Resolution is to request the Department of Health and the Department of Human Services to implement improvements in the Medicaid system.

In recent years, the State's Medicaid program has grown tremendously in the number of recipients, thereby increasing costs to the State. In an effort to ascertain the issues and to analyze any problems in the Medicaid system, the Director of Health submitted a report to the Legislature prior to the convening of this Session. That report was made pursuant to Section 48 of Act 289, Session Laws of Hawaii 1993, and recommended, among other things, that the State more vigorously pursue federal reimbursement for Medicaid.

Your Committees find that the State's current fiscal crisis necessitates that federal Medicaid reimbursement be given the utmost priority. To this end and to improve the overall efficiency of delivery of Medicaid services, this Concurrent Resolution seeks to expedite the implementation of those recommendations.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 31 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Aki, Kanno).

**SCRep. 843     Transportation and Government Affairs on H.B. No. 26**

The purpose of this bill is to allow increased flexibility in transporting motor vehicles interisland.

Under current law an owner of a vehicle is required to present a current certificate of ownership and a current no-fault identification card to the shipper before a motor vehicle may be shipped interisland. The bill would allow a legal owner to ship upon presentation of a current certificate of registration, picture identification, and a current no-fault identification card. Additionally, the bill also requires a registered owner who is not the legal owner to present a notarized consent of the legal owner.

Your Committee received supporting testimony from Young Brothers, Limited, a common carrier involved with interisland shipping, and the Hawaii Bankers Association.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 26, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 844     Transportation and Government Affairs on H.B. No. 39**

The purpose of this bill is to allow the Department of Transportation to waive airport landing fees, and to waive dockage and other fees at state-owned or controlled facilities when:

- (1) The governor declares a state of emergency; and
- (2) The department determines the waiver is consistent with assisting in the delivery of humanitarian relief.

The Department of Transportation and the Sea-land Service, Inc., submitted favorable testimony in support of the bill. The Department recommended that the bill be clarified to reflect that wharfage fees are imposed with respect to cargo, not the watercraft.

Your Committee has amended the bill to remove the reference to watercraft from paragraph (2) of the new subsection (c) added to section 266-13, Hawaii Revised Statutes, and to make a technical, nonsubstantive amendment for purposes of style.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 39, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 39, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 845     (Joint) Transportation and Government Affairs and Communications and Public Utilities on H.B. 187**

The purpose of this bill is to increase the sanctions for violations of Hawaii's motor carrier law which should deter such violations.

Under current law the fines, which were originally set in 1969, are \$100 for each offense, and, in the case of a continuing violation, up to \$50 a day for each day of the continuing violation. This bill increases the fine to \$1000 for each offense, and, in the case of a continuing violation, increases the penalty to not less than \$50 and not more than \$500 for each day the violation continues. The bill also authorizes the Public Utilities Commission to publish, under certain circumstances, an offender's name in a newspaper of general circulation.

Your Committees received testimony in support of the bill from the Public Utilities Commission and the Hawaii Transportation Association. Your Committees were advised that the fact that there is only one enforcement officer statewide and the lightness of the existing sanctions contribute to a disregard for the law.

As affirmed by the record of votes of the members of your Committees on Transportation and Government Affairs and Communications and Public Utilities that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 187, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Matsuura, Solomon, Anderson, Liu).

**SCRep. 846     Transportation and Government Affairs on H.B. No. 360**

The purpose of this bill is to extend the repeal date of Act 224, Session Laws of Hawaii 1993, from June 30, 1995 to June 30, 1997. This will continue the authorization for the police department to issue citations by mail to drivers who illegally use high occupancy vehicle (HOV) lanes.

Testimony in support of the bill was received from the Department of Transportation, the Police Department of the City and County of Honolulu, and the Leeward Oahu Transportation Management Association. Your Committee has been advised that it would defeat the purposes of the HOV lanes to disrupt traffic by stopping motorists to cite them for illegally using the HOV lanes. The Police Department has established a procedure for mailing citations and is prepared to begin enforcement. Extension of the repeal date will permit the department to test the efficiency of this procedure.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 360 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 847 Transportation and Government Affairs on H.B. No. 599**

The purpose of this bill is to clarify the circumstances under which a person convicted of drunken driving may be considered for a conditional driver's permit.

Under current law the administrative driver's license revocation hearings officer has no discretion to grant a conditional permit if the offender had a prior alcohol related offense regardless of when that offense may have occurred. This bill will permit the issuance of a conditional driver's permit if there was no prior alcohol enforcement contact during the five years preceding the arrest.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 599, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 848 Hawaiian Affairs on H.B. No. 552**

The purpose of this bill is to allow nonrefundable discount, points, loan fees, and loan origination charges on consumer loans secured by a mortgage on the leasehold interest of lessees of land subject to the Hawaiian Homes Commission Act.

Under the Hawaiian Homes Commission Act, a loan on a lessee's leasehold interest is permitted only through few lenders who are insured by Farmers Home Administration, Federal Housing Administration, and the Veterans Administration. Until recently, those lenders have provided only permanent long-term loans, and no financing for construction or home improvement loans were available. One or two of those lenders are now offering construction and home improvement loans to lessees, on which they charge points.

Financial services loan companies are interested in making unsecured and home equity loans to Hawaiian home lands lessees but they find it uneconomical to provide these loans because points cannot be charged pursuant to section 412:9-304(4)(B), Hawaii Revised Statutes. The bill provides a means to enable these financial institutions to extend credit to homestead lessees.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 552 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Grauly, Levin).

**SCRep. 849 Hawaiian Affairs on H.B. No. 974**

The purpose of this bill is to formally reauthorize the Hui 'Imi Advisory Council by establishing it in the office of the lieutenant governor for administrative purposes only. This bill also appropriates funds for each year of the 1995-1997 fiscal biennium to staff the Advisory Council.

Your Committee finds that since its creation by Senate Concurrent Resolution 106, S.D. 1, in 1989, the Hui 'Imi Pono Advisory Council has effectively advised the Legislature and other public and private agencies on social, economic, educational, and housing issues facing Hawaiians. This bill seeks to provide the administrative and fiscal support necessary to continue the Hui 'Imi Pono Advisory Council organization, which include government representatives, agencies, and members of the Hawaiian community.

Your Committee has amended the bill by:

- (1) Designating chapter 26, Hawaii Revised Statutes, as the chapter in which the new section that establishes the Hui 'Imi Pono advisory council will be inserted;
- (2) Designating the governor as the appointing authority for the organizations that will comprise the Hui 'Imi council;

- (3) Deleting the office of Hawaiian health as one of the organizations to be appointed by the governor to the Hui 'Imi council;
- (4) Inserting an appropriation amount of \$40,500 for each year of the fiscal biennium 1995-1997; and
- (5) Making technical and nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 974, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 974, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 850 Hawaiian Affairs on H.B. No. 1313**

The purpose of this bill is to allow the office of Hawaiian affairs to establish a successor determination program that will provide a wide range of services including genealogy research and mediation, binding, and nonbinding arbitration services to determine the leasehold interest pursuant to section 171-99(e), Hawaii Revised Statutes, of persons with an interest in a nine hundred ninety-nine-year homestead lease.

Your Committee finds that conflicts among families and lack of documentation and uncertainty in determining rightful successors to a nine hundred ninety-nine-year lease continually exacerbate the problems experienced by lessees and their families. Furthermore, under current law, determination of a rightful successor is via a probate court which can be expensive and unaffordable for some. Implementing a successor determination program will provide lessees with an alternative to probate court that is less costly and more informal and provides lessees with the services they need to determine succession.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1313, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 851 Hawaiian Affairs on H.B. No. 2152**

The purpose of this bill is to allow residents of Lanai and Niihau to be elected as a member the board of trustees of the office of Hawaiian affairs (OHA) under the seats of Molokai and Kauai.

Your Committee finds that current law precludes residents of Lanai and Niihau a fair opportunity to become a member of the board of trustees of OHA because at present, they must move to another island or run at-large to become an OHA candidate.

Your Committee has amended the bill to require that one member on the board of trustees of OHA reside on the island of Molokai or Lanai and represent Molokai and Lanai and that another member reside on the island of Kauai or Niihau and represent Kauai and Niihau.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2152, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 852 Health on H.B. No. 1968**

The purpose of this bill is to replace premarital rubella testing with a requirement for prenatal testing, and to provide for premarital rubella notification.

Your Committee notes that premarital rubella testing has been required by law since 1979. As a result of immunization programs, susceptibility to rubella has been greatly reduced, and there have been no confirmed cases of rubella in women of child-bearing age since 1986.

Your Committee finds, however, that premarital testing fails to provide protection to approximately 4,000 children born to unwed mothers each year. Consequently, your Committee strongly supports the passage of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1968, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 853 (Joint) Health and Human Services on S.R. No. 12**

The purpose of this Resolution is to request that all state agencies that provide services to the public review their service delivery programs to ensure the inclusion of all qualified limited English and non-English speaking clients in their service programs and to develop plans to address any deficiencies identified.

Your Committees find that nearly one of every five residents in the State speaks a language other than English in their home. Your Committees further find that providing equal access to state services for those without English proficiency ensures equal protection under the laws which prohibit discrimination against individuals based upon their national origin.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 12, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 12, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Aki).

**SCRep. 854 Health on S.R. No. 64**

The purpose of this Resolution is to request the Department of Health to consider locating the State Office of Rural Health on a neighbor island, possibly in a rural university setting.

Your Committee notes that legislation has been introduced in the 1995 Regular Session to establish a State Office of Rural Health within the Department of Health to integrate state, federal, and private sector resources to develop innovative solutions for improving access to quality care in Hawaii's rural communities.

Your Committee believes that, in light of the general purpose and specific responsibilities of the State Office of Rural Health under the proposed legislation, it may be beneficial to locate the State Office on a neighbor island, possibly in a university setting, to enhance accountability and responsiveness to rural community-based needs and interests. Consequently, your Committee supports the passage of this measure.

Your Committee has amended this Resolution by providing that the Department of Health report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 64, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 64, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 855 Health on S.C.R. No. 71**

The purpose of this Concurrent Resolution is to request the Department of Health to consider locating the State Office of Rural Health on a neighbor island, possibly in a rural university setting.

Your Committee notes that legislation has been introduced in the 1995 Regular Session to establish a State Office of Rural Health within the Department of Health to integrate state, federal, and private sector resources to develop innovative solutions for improving access to quality care in Hawaii's rural communities.

Your Committee believes that, in light of the general purpose and specific responsibilities of the State Office of Rural Health under the proposed legislation, it may be beneficial to locate the State Office on a neighbor island, possibly in a university setting, to enhance accountability and responsiveness to rural community-based needs and interests. Consequently, your Committee supports the passage of this measure.

Your Committee has amended this Concurrent Resolution by providing that the Department of Health report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 71, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 71, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 856 Human Services on S.R. No. 66**

The purpose of this Resolution is to urge Congress to maintain Title III of the Older Americans Act, Senior Nutrition Program, and other nutrition services to older people.

The Senior Nutrition Program is a fundamental part of the Older Americans Act service system, aimed at keeping older people at home, supporting family caregivers, and avoiding unnecessary and costly institutionalization.

Your Committee finds that the Senior Nutrition Program has traditionally served those with greatest economic need, thus maintaining the dignity of older persons. This program is now in danger of being cut back or cut out in the "Personal Responsibility-Welfare Reform" bill now before Congress. This Resolution expresses the State's desire to the contrary.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 66 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 857 Human Services on S.C.R. No. 78**

The purpose of this Concurrent Resolution is to urge Congress to maintain Title III of the Older Americans Act, Senior Nutrition Program, and other nutrition services to older people.

The Senior Nutrition Program is a fundamental part of the Older Americans Act service system, aimed at keeping older people at home, supporting family caregivers, and avoiding unnecessary and costly institutionalization.

Your Committee finds that the Senior Nutrition Program has traditionally served those with greatest economic need, thus maintaining the dignity of older persons. This program is now in danger of being cut back or cut out in the "Personal Responsibility-Welfare Reform" bill now before Congress. This Concurrent Resolution expresses the State's desire to the contrary.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 858 Human Services on S.R. No. 68**

The purpose of this Resolution is to request members of Hawaii's congressional delegation to introduce legislation to provide for the extension of the three-year period of sponsorship of immigrants.

Your Committee finds that Hawaii has an increased number of immigrants who become public charges. If they continue to remain as public charges, they can be deported. To avoid deportation, many immigrants apply for residency with the aid of persons who serve as their sponsors. As a result, the federal government requires the sponsored immigrant to include the sponsor's resources in any application for Social Security benefits, food stamps, and other forms of public assistance for that immigrant's first three years in the United States. Because the sponsor's financial resources are deemed available to the sponsored immigrant, that immigrant cannot claim for public benefits during the time of required sponsorship.

Under federal regulations, immigrants must be sponsored for a three-year period before resorting to public assistance for poverty and for five years under Social Security for elderly benefits and for permanent disability. This Resolution seeks legislation to extend the three-year period for public assistance sponsorship to at least the same five-year period as for social security to avoid casting a burden on the State's public assistance after the three years expires for immigrants needing public assistance.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 68 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 859 Human Services on S.C.R. No. 81**

The purpose of this Concurrent Resolution is to request members of Hawaii's congressional delegation to introduce legislation to provide for the extension of the three-year period of sponsorship of immigrants.

Your Committee finds that Hawaii has an increased number of immigrants who become public charges. If they continue to remain as public charges, they can be deported. To avoid deportation, many immigrants apply for residency with the aid of persons who serve as their sponsors. As a result, the federal government requires the sponsored immigrant to include the sponsor's resources in any application for Social Security benefits, food stamps, and other forms of public assistance for that immigrant's first three years in the United States. Because the sponsor's financial resources are deemed available to the sponsored immigrant, that immigrant cannot claim for public benefits during the time of required sponsorship.

Under federal regulations, immigrants must be sponsored for a three-year period before resorting to public assistance for poverty and for five years under Social Security for elderly benefits and for permanent disability. This Concurrent Resolution seeks legislation to extend the three-year period for public assistance sponsorship to at least the same five-year period as for social security to avoid casting a burden on the State's public assistance after the three years expires for immigrants needing public assistance.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 860 Human Services on S.R. No. 69**

The purpose of this Resolution is to support the 1995 Mini Interfaith White House Conference on Aging report "Spiritual Dimensions in Aging."

The President of the United States has called for a national White House Conference on Aging (WHCOA) to be scheduled for May 2-5, 1995. Meanwhile, a local mini conference was held on January 28, 1995, in preparation for the national conference. That local conference, "Spiritual Dimensions in Aging," was composed of concerned groups, including interfaith groups, and produced a report of its recommendations on a national aging policy for the 21st century.

According to supporting testimony of the Executive Office on Aging, Hawaii has been preparing since February of 1994 for the national White House Conference on Aging. The Executive Office on Aging acknowledges the report of the local Mini Interfaith White House Conference on Aging, since that conference was officially recognized as a WHCOA event by the Executive Director of WHCOA. That report focuses on the broad spiritual concerns of the elderly and will contribute to the future policy making for all older Americans and interfaith volunteer caregivers who make a significant difference in the lives of frail, isolated, suffering persons and their families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 69 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 861 Human Services on S.C.R. No. 82**

The purpose of this Concurrent Resolution is to support the 1995 Mini Interfaith White House Conference on Aging report "Spiritual Dimensions in Aging."

The President of the United States has called for a national White House Conference on Aging (WHCOA) to be scheduled for May 2-5, 1995. Meanwhile, a local mini conference was held on January 28, 1995, in preparation for the national conference. That local conference, "Spiritual Dimensions in Aging," was composed of concerned groups, including interfaith groups, and produced a report of its recommendations on a national aging policy for the 21st century.

According to supporting testimony of the Executive Office on Aging, Hawaii has been preparing since February of 1994 for the national White House Conference on Aging. The Executive Office on Aging acknowledges the report of the local Mini Interfaith White House Conference on Aging, since that conference was officially recognized as a WHCOA event by the Executive Director of WHCOA. That report focuses on the broad spiritual concerns of the elderly and will contribute to the future policy making for all older Americans and interfaith volunteer caregivers who make a significant difference in the lives of frail, isolated, suffering persons and their families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 82 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 862 Human Services on S.R. No. 70**

The purpose of this Resolution is to support Hawaii's delegation to the 1995 White House Conference on Aging.

Hawaii has been preparing for the national White House Conference on Aging since February of 1994. Under the leadership of a seventeen member steering committee, nearly fifty events have been held throughout the State. These activities were aimed at obtaining grassroots input on the major areas of concern among older adults.

The White House Conference on Aging, scheduled for May 2-5 in Washington D.C., is a significant event whereby Americans from all segments of society will have a role in making recommendations on aging policy for the 21st century. This Resolution expresses support for Hawaii's delegates to that national conference, in recognition of the importance of that conference and of all the work put in thus far on the state level in preparation for that conference, including a local mini conference which was held in preparation for the national conference.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 70 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 863 Human Services on S.C.R. No. 83**

The purpose of this Concurrent Resolution is to support Hawaii's delegation to the 1995 White House Conference on Aging.

Hawaii has been preparing for the national White House Conference on Aging since February of 1994. Under the leadership of a seventeen member steering committee, nearly fifty events have been held throughout the State. These activities were aimed at obtaining grassroots input on the major areas of concern among older adults.

The White House Conference on Aging, scheduled for May 2-5 in Washington D.C., is a significant event whereby Americans from all segments of society will have a role in making recommendations on aging policy for the 21st century. This Concurrent Resolution expresses support for Hawaii's delegates to that national conference, in recognition of the importance of that conference and of all the work put in thus far on the state level in preparation for that conference, including a local mini conference which was held in preparation for the national conference.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 83 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 864 Human Services on S.R. No. 101**

The purpose of this Resolution is to urge the United States Congress to continue its support of the federal Special Supplemental Food Program for pregnant women, infants, and children under five years of age (WIC).

Your Committee finds that pregnant women, nursing mothers, infants, and children under five are the most nutritionally vulnerable of our citizens and that the WIC program has proven to be highly effective in this regard, resulting in cost savings and in improved physical and mental health.

Presently pending in the U.S. Congress is H.R. 4 to repeal the WIC program. This Resolution is intended to rally support for the continuation of the WIC program, which is critical for Hawaii's children who have been medically certified to be nutritionally at risk.

Based on supporting testimony of the Department of Health, your Committee has amended the first BE IT FURTHER RESOLVED clause of this Resolution to:

- (1) Delete "Department of Human Services" and to insert "Department of Health," to reflect the correct jurisdiction over the WIC program in Hawaii;
- (2) Add "income eligible" before "...pregnant women..."; and
- (3) Add "who are determined to be at nutritional risk" after "...children under five years of age."

The last BE IT FURTHER RESOLVED clause was also amended to substitute the Director of Health for the Director of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 101, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 101, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 865 Human Services on S.C.R. No. 115**

The purpose of this Concurrent Resolution is to urge the United States Congress to continue its support of the federal Special Supplemental Food Program for pregnant women, infants, and children under five years of age (WIC).

Your Committee finds that pregnant women, nursing mothers, infants, and children under five are the most nutritionally vulnerable of our citizens and that the WIC program has proven to be highly effective in this regard, resulting in cost savings and in improved physical and mental health.

Presently pending in the U.S. Congress is H.R. 4 to repeal the WIC program. This Concurrent Resolution is intended to rally support for the continuation of the WIC program, which is critical for Hawaii's children who have been medically certified to be nutritionally at risk.

Based on supporting testimony of the Department of Health, your Committee has amended the first BE IT FURTHER RESOLVED clause of this Concurrent Resolution to:

- (1) Delete "Department of Human Services" and to insert "Department of Health," to reflect the correct jurisdiction over the WIC program in Hawaii;
- (2) Add "income eligible" before "...pregnant women..."; and
- (3) Add "who are determined to be at nutritional risk" after "...children under five years of age."

The last BE IT FURTHER RESOLVED clause was also amended to substitute the Director of Health for the Director of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 115, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 866 Human Services on S.R. No. 106**

The purpose of this Resolution is to request the Hawaii long-term care task force to study, understand, and evaluate various issues relating to long-term care for the elderly, to educate the public about these issues, and to establish the framework for implementation of a long-term care system.

The Hawaii long-term care task force is a private group which has its roots in work previously done by the Honolulu Japanese Chamber of Commerce.

This Resolution directs how the task force should be organized for the purposes of this study and delineates the composition of the task force as representing a broad range of community and business interests. The task force is to be supported by private grants and donations and by government resources, as appropriate.

Your Committee finds that the looming problem of providing long-term care for our elderly population is a pressing concern that cries out for a thorough study and analysis of all the issues, problems, resources, finances, and ramifications relating to long-term care by all sectors and by the best minds in the field. The task force is requested to report to the Legislature on its progress and recommendations before the 1996 and 1997 Sessions.

Your Committee received supporting testimony from the Honolulu Japanese Chamber of Commerce, the Chamber of Commerce of Hawaii, the Executive Office on Aging, the Healthcare Association of Hawaii, and by Masaichi Tasaka, former President and Chief Executive Officer of the Kuakini Health System.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 106 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 867 Human Services on S.C.R. No. 121**

The purpose of this Concurrent Resolution is to request the Hawaii long-term care task force to study, understand, and evaluate various issues relating to long-term care for the elderly, to educate the public about these issues, and to establish the framework for implementation of a long-term care system.

The Hawaii long-term care task force is a private group which has its roots in work previously done by the Honolulu Japanese Chamber of Commerce.

This Concurrent Resolution directs how the task force should be organized for the purposes of this study and delineates the composition of the task force as representing a broad range of community and business interests. The task force is to be supported by private grants and donations and by government resources, as appropriate.

Your Committee finds that the looming problem of providing long-term care for our elderly population is a pressing concern that cries out for a thorough study and analysis of all the issues, problems, resources, finances, and ramifications relating to long-term care by all sectors and by the best minds in the field. The task force is requested to report to the Legislature on its progress and recommendations before the 1996 and 1997 Sessions.

Your Committee received supporting testimony from the Honolulu Japanese Chamber of Commerce, the Chamber of Commerce of Hawaii, the Executive Office on Aging, the Healthcare Association of Hawaii, and by Masaichi Tasaka, former President and Chief Executive Officer of the Kuakini Health System.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 121 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 868 Human Services on S.R. No. 133**

The purpose of this Resolution is to request Hawaii's congressional delegation to support the continuation of community action in the State of Hawaii.

This Resolution encourages the U.S. Congress to continue funding the community services block grants that currently support agencies which provide needed services to low-income persons in areas of employment and educational opportunities, income management, housing, transportation, economic development, emergency assistance, and self-sufficiency projects.

The U.S. Congress recently indicated that it intends to eliminate or severely reduce community block grants for social services, which in Hawaii totals \$2,222,460, affecting a population of 105,100 low-income persons and 850 employees

who work in social service agencies. Your Committee finds that the elimination of block grants will severely halt social services for this population.

Your Committee received supporting oral testimony from the the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 133 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 869 Human Services on S.C.R. No. 150**

The purpose of this Concurrent Resolution is to request Hawaii's congressional delegation to support the continuation of community action in the State of Hawaii.

This Concurrent Resolution encourages the U.S. Congress to continue funding the community services block grants that currently support agencies which provide needed services to low-income persons in areas of employment and educational opportunities, income management, housing, transportation, economic development, emergency assistance, and self-sufficiency projects.

The U.S. Congress recently indicated that it intends to eliminate or severely reduce community block grants for social services, which in Hawaii totals \$2,222,460, affecting a population of 105,100 low-income persons and 850 employees who work in social service agencies. Your Committee finds that the elimination of block grants will severely halt social services for this population.

Your Committee received supporting oral testimony from the the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 150 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 870 Human Services on S.R. No. 104**

The purpose of this Resolution is to establish a special joint interim committee to hold public meetings on each island to examine the problems of welfare recipients on a first-hand basis.

The special committee would be composed of members of the Human Services Committees of both Houses as well as other members, appointed as follows: two Senators appointed by the President of the Senate; two Representatives appointed by the Speaker of the House of Representatives; one member from each county to be appointed by the chairperson of the respective county councils; and one member representing the Department of Human Services.

The special committee would hold informal meetings with welfare recipients on each island during the interim between the 1995 and 1996 Regular Sessions. Your Committee finds that this process is conducive to:

- (1) Obtaining first-hand information from welfare recipients;
- (2) Helping committee members to identify problems that welfare recipients are experiencing and key problems in the system which may otherwise not come to light; and
- (3) Affording welfare recipients the opportunity to advance grass roots suggestions for improving the system.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 104 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 871 Human Services on S.C.R. No. 119**

The purpose of this Concurrent Resolution is to establish a special joint interim committee to hold public meetings on each island to examine the problems of welfare recipients on a first-hand basis.

The special committee would be composed of members of the Human Services Committees of both Houses as well as other members, appointed as follows: two Senators appointed by the President of the Senate; two Representatives appointed by the Speaker of the House of Representatives; one member from each county to be appointed by the chairperson of the respective county councils; and one member representing the Department of Human Services.

The special committee would hold informal meetings with welfare recipients on each island during the interim between the 1995 and 1996 Regular Sessions. Your Committee finds that this process is conducive to:

- (1) Obtaining first-hand information from welfare recipients;

- (2) Helping committee members to identify problems that welfare recipients are experiencing and key problems in the system which may otherwise not come to light; and
- (3) Affording welfare recipients the opportunity to advance grass roots suggestions for improving the system.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 119 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 872 Communications and Public Utilities on H.B. No. 115**

The purpose of this bill is to appropriate funds to increase public access to legislative proceedings.

Specifically, these funds will be used for the production and distribution of television broadcasts of legislative proceedings of the 1996 Regular Session.

Your Committee received testimony from a variety of public agencies, private organizations, and concerned citizens, all strongly in support of this measure.

Your Committee believes that this measure is necessary in order to promote a democracy based on an informed electorate, as well as on free and open communications between citizens and their elected representatives.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Kanno).

**SCRep. 873 Human Service on H.B. No. 331**

The purpose of this bill is to appropriate operating funds for the "safe haven" pilot project of the Department of Health.

The safe haven pilot project will provide services to the chronically-homeless who are also mentally-ill. This project is designed to provide a stable residential environment and medical services for this population that is difficult to reach through traditional social and health services. The appropriation is to cover operating costs of that project, including clinical and clerical staff.

Your Committee has amended this bill by deleting "\$1" as the appropriation amount and inserting \$30,000 for each of the two upcoming fiscal years, for a total of \$60,000. This amount is necessary to preserve a federal Housing and Urban Development loan of \$2.1 million to the City and County of Honolulu for the residential portion of the program.

Your Committee received supporting testimony from the Department of Health, the Hawaii Housing Authority of the Department of Human Services, and the Department of Housing and Community Development of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 331, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 874 Human Services on H.B. No. 523**

The purpose of this bill is to clarify the penalties for welfare fraud.

The current penalty is a misdemeanor. This bill makes it a theft, without specifying what degree of theft.

Your Committee has amended this bill on recommendation of the Department of the Attorney General by making welfare fraud a class C felony, which is the lowest grade of felony, and by deleting references to theft.

Your Committee received supporting testimony from the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 523, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 523, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 875 Human Services on H.B. No. 1036**

The purpose of this bill is to require the Department of Human Services to release the identity, address, and phone number of licensed or certified foster parents and approved relative caregivers to bona fide foster parent associations.

This bill also provides an exception where the best interest of a specific child is concerned and prohibits the foster parent association from releasing the information without the consent of the foster parents or the relative caregivers.

Your Committee finds that this bill will promote networking among foster parents to establish support systems which will aid the recruitment and retention of foster parents, who need strong emotional support and information input to continue their very worthy endeavors for the good of the foster children.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1036, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 876 Human Services on H.B. No. 1466**

The purpose of this bill is to appropriate funds for various vocational rehabilitation programs, and to restore and appropriate funds for various positions in the Vocational Rehabilitation Division of the Department of Human Services.

All appropriations are for one dollar. The rehabilitation programs relate to independent living services for older individuals who are blind. The restored positions relate to services for the blind, deaf, and other severe disabilities.

Your Committee received supporting testimony from the Commission on Persons with Disabilities, the Hawaii Coordinating Council on Deafness, and the Aloha State Association of the Deaf.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1466, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 877 Human Services on H.B. No. 1643**

The purpose of this bill, as received by your Committee, is to establish a permanent tax upon nursing facilities to be imposed by the department of human services.

Your Committee finds that this temporary nursing facility tax was imposed to provide additional revenues to finance the state portion of the Medicaid program until such time as alternative long-term care financing mechanisms are implemented. Your Committee further finds that the ability of the nursing facilities to provide essential services is dependent upon their receiving adequate reimbursement for such services, and this tax provides an additional source of revenue until such time as Medicaid rates can be adjusted and other methods of financing are implemented.

Testimony in support of this measure was submitted by the department of health, department of human services, the Hawaii long term care association, healthcare association of Hawaii, and numerous long-term care facility operators. Testimony in opposition was submitted on behalf of private pay individuals receiving nursing facility care.

Upon further consideration of the testimony, your Committee is concerned that the federal reimbursements which are received as a result of state revenues which are generated by this tax are not being passed onto the nursing facility operators, and thus your Committee has amended this measure by:

- (1) Extending the repeal date for the tax to July 1, 1997, rather than making it a permanent tax; and
- (2) Requiring the department to make use of the federal matching funds resulting from the state tax to reimburse Medicaid providers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1643, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1643, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 878 Human Services on H.B. No. 1806**

The purpose of this bill is to extend the repeal date to June 30, 1998, for the Maluhia Waitlist Project of the Department of Health.

Your Committee has amended this bill by inserting a proviso that the Act is repealed if federal matching assistance is terminated, whichever is sooner.

Your Committee finds that extending the repeal date by two years to June 30, 1998, is a reasonable time for the federal Health Care Financing Administration to review the State's waiver renewal package. The extension will also allow the State to plan for Phase II of the QUEST Program. The Maluhia Waitlist Project is a demonstration project which needs federal medicaid waivers.

Your Committee received supporting testimony from the Departments of Health and Human Services, the Honolulu County Management Advisory Committee of the Department of Health on behalf of Maluhia Hospital, St. Francis Medical Center, Kaiser Permanente, Hawaii Long Term Care Association, Child and Family Service, and Adult Day Centers in Hawaii, Inc.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1806, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1806, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 879 Human Services on H.B. No. 1990**

The purpose of this bill is to amend the statutory assistance amounts for different levels of domiciliary care provided to recipients eligible for Federal Supplemental Security Income or state public assistance, or both.

The new amounts are in line with current cost of living increases and have already been approved by various budget acts. Therefore, no additional funding is necessary.

Your Committee received supporting testimony from the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1990, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 880 Human Services on H.B. No. 1991**

The purpose of this bill is to convert the Statewide Council on Independent Living ("Council") to an agency independent of the Department of Human Services.

The Statewide Council on Independent Living is a state agency established for the purpose of making policy, coordinating activities, and preparing reports, on matters concerning individuals with severe disabilities to enable them to continue living independently in their family and community.

Under current law, the Council is established within the Department of Human Services. However, the Federal Rehabilitation Act of 1973, and the amendments thereto of 1992 and 1993, require that the Council not be established as an entity within a state agency. Compliance with federal law is a prerequisite to receiving federal funding for independent living programs within the State.

Your Committee finds that this bill is necessary to ensure continued federal funding for these programs.

Your Committee has amended this bill as follows:

- (1) Inserting "temporary" before "...agency..." to reflect the language from the State Constitution exempting temporary commissions or agencies for special purposes from the requirement of being allocated within a department;
- (2) Adding language clarifying that the four-year term requirement for board and commission members under section 26-34, Hawaii Revised Statutes, does not apply to members of the Council; and
- (3) Making technical, nonsubstantive amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1991, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1991, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 881 Consumer Protection on H.B. No. 529**

The purpose of this bill is to require the Hawaii hurricane relief fund to consider the adequacy of and owner compliance with county building codes in rate considerations, and to identify hazard zones within the State for each type of covered event in the adjustment of rates.

Your Committee finds that the Hawaii hurricane relief fund is essential to address the ongoing insurance needs of the homeowners who were affected by the devastation of Hurricane Iniki. Your Committee further finds that the proposed amendments will allow for the expeditious implementation of the Hawaii hurricane relief fund.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 529, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 529, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

#### SCRep. 882 Consumer Protection on H.B. No. 1426

The purpose of this bill is to make it clear that the general excise tax would not apply to interest paid on interest bearing obligations and received by a taxpayer or corporation domiciled outside the State where the only connection to Hawaii is that the issuer of the interest bearing instrument has chosen to use a Hawaii trust company or Hawaii-chartered bank's trust department (hereafter called the "trust department") as the trustees or paying agent. The bill generally would affect nonresident business taxpayers who hold corporate debt obligations where Hawaii trust companies or trust departments act as trustees or paying agents on those obligations.

No tax revenue loss is anticipated because the Department of Taxation has not to date sought to tax these amounts. Generally, if a nonresident taxpayer or corporation holds these debt obligations directly, the "situs" of the debt obligation is outside of Hawaii and beyond the reach of the general excise tax. However, for reasons of security and ease of administration, large debt issuers utilize bond indenture trustees or paying agents to distribute the interest payable on such obligations.

In light of a case decided in Hawaii many years ago, Carter v. Hill, 31 H. 264 (1930) the "situs" of the obligation could be interpreted to be Hawaii, based upon the activities of the Hawaii trustee or paying agent. As a result, the interest income received by the nonresident taxpayer could be taxed. When an issuer chooses a Hawaii trust company or trust department to serve as bond indenture trustee or paying agent, it generally requires a legal opinion as to the Hawaii taxes applicable to the interest payable. Because of Carter v. Hill, these opinions must note the possibility of general excise tax. The prospect of such a tax on potential buyers of such debt obligations causes the large issuer to use out-of-state trustees and paying agents rather than local companies. As a result, Hawaii trust companies and trust departments cannot compete for this important business.

The problem is not academic. Issuers and underwriters that would otherwise have utilized Hawaii trust companies or trust departments have instead taken their business elsewhere. The purpose of this bill is to address this specific problem only, and not to contravene the application or scope of jurisdiction of existing general excise tax law. The general excise tax law is merely being classified with respect to this very specific situation.

By clarifying the law, Hawaii trust companies and trust departments will be able to compete for this business with out-of-state trustees and paying agents. Issuers of interest bearing obligations, particularly corporate bond issuers, could elect to use Hawaii trust companies and trust departments without the potential risk of general excise taxation.

Testimony in support of this bill was submitted by the Department of Taxation and the Trust Committee of the Hawaii Bankers Association. The Tax Foundation of Hawaii also submitted comments on the bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

#### SCRep. 883 Consumer Protection on H.B. No. 1485

The purpose of this bill is to amend section 281-61, Hawaii Revised Statutes, dealing with liquor license renewal, by:

- (1) Adding a reference to the liquor control adjudication board as a potential adjudicatory body (the other, under current law, being the liquor commission) to review public complaints and investigative reports regarding potential noise violations;
- (2) Clarifying that adjacent related outdoor areas mean those under the licensee's control;
- (3) Adding a reference to liquor commission noise or vibration codes (in addition to state and county codes); and
- (4) Adding a new subsection to prevent activities in areas under the control of liquor licensees that are potentially injurious to the health, safety, and welfare of the public, including criminal activities, by allowing the county liquor commissions to revoke, suspend, or place conditions or restrictions on any liquor license upon:
  - (A) Petition of the administrator of the appropriate county agency;

- (B) Proper notice to the licensee; and
- (C) A hearing before the appropriate county liquor commission pursuant to chapter 91, Hawaii Revised Statutes.

Your Committee is in accord with the general intent of this bill, however, after careful review, it has made the following amendments:

- (1) The clarification regarding adjacent related outdoor areas has been deleted, as being superfluous;
- (2) The reference to a liquor commission noise or vibration code has been deleted, as your Committee finds that state and county codes are sufficient standards in this area; and
- (3) The language contained in the proposed subsection (b) has been deleted in its entirety and replaced by language providing that the commission, upon application for license renewal, or at any other time prior to license renewal, may revoke, suspend, or place reasonable conditions or restrictions on any license issued under chapter 281, Hawaii Revised Statutes, if the licensee has been convicted of, or knowingly allows, any criminal activity within the licensed premises.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1485, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1485, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 884 Consumer Protection on H.B. No. 1918**

The purpose of this bill is to provide for the regulation of health maintenance organizations (HMO's) in the State.

HMO's are an important part of Hawaii's health care delivery system as the HMO health care model provides services on a prepaid capitation basis as opposed to the fee-for-service typically provided by traditional health insurance.

Your Committee received testimony supporting the reasonable regulation of HMO's from HMSA, Kaiser Permanente, and the Department of Consumer Affairs. Supporters were interested in guarding against insolvencies in these organizations and protecting the consumers enrolled in these plans from losses.

Your Committee has amended this bill by including language stating that investments, including facilities, equipment, and other like property, within this section can be considered as admitted assets in determination of net worth rather than requiring them to be so considered. The investments must also be in compliance with rules adopted by the commissioner.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1918, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1918, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 885 Consumer Protection on H.B. No. 1919**

The purpose of this bill is to retain the insurance examiner's revolving fund.

Your Committee finds that the revolving fund is critical to the accreditation of Hawaii under the National Association of Insurance Commissioner's Financial Regulation Standards and Accreditation Program. Your Committee further finds that the revolving fund will ensure Hawaii's accreditation, which but for this bill, will drop dead.

Your Committee has amended this bill by changing the effective dates in this bill to accurately reflect the date the governor signed the revolving fund into law.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1919, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1919, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 886 Consumer Protection on H.B. No. 1920**

The purpose of this bill is to make technical corrections and substantive changes to chapter 431P, Hawaii Revised Statutes, which governs the operation of the Hawaii hurricane relief fund.

Your Committee finds that this bill modifies the law governing the Hawaii hurricane relief fund by adding and amending definitions and clarifying provisions regarding the assessments against insurers that will improve the administration of the fund. Testimony in support of this bill was received from the executive director of the Hawaii hurricane relief fund, the Mortgage Bankers Association, State Farm Insurance Companies, and the Hawaii Insurers Council.

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

- (1) Deleting the phrase "for residential property" from the clause exempting mortgage transactions;
- (2) Clarifying that assessments made upon insurers are due from each insurer based upon assessment procedures established by the fund together with its servicing facilities;
- (3) Deleting the clause that each insurer shall be notified of any assessment not less than fifteen days before it is due;
- (4) Clarifying that assessments shall be based upon each insurers share of the total property premium written during the year immediately preceding the covered event, and shall not include premiums written in excess of coverage provided by the fund arising as a result of a covered event;
- (5) Deleting the exemption from assessments for certain insurers authorized to provide comparable coverage under section 431P-10(b), Hawaii Revised Statutes; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1920, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1920, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 887 Consumer Protection on H.B. No. 1923**

The purpose of this bill is to require mutual benefit societies to file annual financial audits with the state insurance commissioner.

Your Committee finds that mutual benefit societies are established for the purpose of making benefit payments when a mutual benefit society member becomes sick, disabled, or dies. Presently, supervision by the insurance commissioner of mutual benefit societies licensed to operate in Hawaii is limited to reviewing an organization's documents and requiring the filing of an annual financial report. Your Committee further finds that requiring these annual audits would improve the insurance commissioner's ability to assess the financial stability of these organizations and also treats them in the same manner as domestic insurance companies.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1923, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 888 Consumer Protection on H.B. No. 1924**

The purpose of this bill is to require captive insurance companies to meet the same statutory requirements imposed upon other insurance companies regarding filing of financial reports and the penalty for the late filing of these reports.

Your Committee finds that the proposed amendments will require captive insurance companies to adhere to the same reporting requirements imposed upon the rest of the insurance industry. Your Committee further finds that uniform reporting requirements enhance the insurance commissioner's ability to regulate the insurance industry in a consistent manner.

As affirmed by the records of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1924 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 889 Consumer Protection on H.B. No. 1926**

The purpose of this bill is to update the state's franchise and securities laws.

Your Committee finds that it has been a number of years since the State has updated the system of registration for securities offerings and franchise sales. With respect to franchises, this bill updates registration fees to match national

standards. Your Committee further finds that this bill also modifies the exchange exemption which Hawaii has not reviewed for over fifteen years. An update of the exchange exemption is necessary in light of the development of the NASDAQ electronic securities quotation system which has evolved from a fledgling operation to a multi-billion dollar entity.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1926, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 890 Consumer Protection on H.B. No. 1959**

The purpose of this bill is to assist the medical claims conciliation panel in becoming more self-sufficient by allowing the assessment of filing and processing fees. The bill also authorizes the director of commerce and consumer affairs to waive the fees for indigent claimants.

Your Committee finds that currently the department bears all of the costs of the panel, including administrative costs, secretarial support, reproduction costs, postage, travel, and other panel expenses. Your Committee believes that it is appropriate to require the beneficiaries of this program to assist in the financing of this regulatory function.

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

- (1) Deleting the provisions for waiver of filing fees;
- (2) Reducing the amount of compensation to consultants used by the panel from \$300 to \$150 per claim;
- (3) Requiring that claim costs be paid from funds collected by the department from the parties to be shared equally;
- (4) Reducing the filing fee from \$450 to \$200 per claim for claimants, and reducing the deposit required from service providers and other parties to the claim from \$450 to \$200;
- (5) Clarifying that if costs exceed amounts deposited, additional costs shall be assessed on each party on a pro rata basis;
- (6) Adding a section to apply the same provisions regarding fees and costs to the design professional conciliation panel;
- (7) Inserting a clause indicating that this measure shall not affect claims filed prior to its effective date;
- (8) Changing the effective date to July 1, 1995; and
- (9) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1959, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1959, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 891 Consumer Protection on H.B. No. 2030**

The purpose of this bill is to update the bulk sales law to set forth a broader application to include certain transactions occurring in today's marketplace which include transfers of intangible property.

Your Committee finds that if a bulk sales transaction is made without the seller paying the appropriate tax, the purchaser then becomes responsible for payment of the general excise tax up to the amount of purchase. Your Committee further finds that the present bulk sales law has been strictly interpreted to apply to sales of tangible property, yet transactions involving transfers of intangible property are often not reported and to ensure parity under the law these transactions should be specifically included within the scope of the bulk sales law.

Your Committee has amended this bill by:

- (1) Redesignating section 237-43 to chapter 231, Hawaii Revised Statutes, as the more appropriate manner of showing the change in application to all taxes;
- (2) Deleting the extraordinary penalties imposed for wilful failure to file and eliminating the capped fine for a misdemeanor;

- (3) Deleting the clause which voids the application of any statute of limitation upon the purchaser's liability; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2030, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2030, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 892 Consumer Protection on H.B. No. 2034**

The purpose of this bill is to delete the provisions for the allocation and separate accounting for financial institutions in situations where the financial institution has income which is taxable both within and without Hawaii.

By repealing these provisions, financial institutions will be required to allocate and apportion their income under the Uniform Division of Income for Tax Purposes Act, which is in effect in Hawaii as part II of chapter 235, Hawaii Revised Statutes. This bill will allow for a more accurate reflection of income within and outside of the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2034, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 893 Education on H.B. No. 419**

The purpose of this bill is to strengthen the State's commitment to perpetuate the Hawaiian language. This bill provides financial as well as staff support for the Department of Education's (DOE) Hawaiian language immersion program known as the Papahana Kaiapuni Hawaii.

Testimony in support of the bill was received from DOE, the Office of Hawaiian Affairs, and the Democratic party.

Your Committee has amended this bill by deleting provisions which require:

- (1) Establishment of a Hawaiian language program at Holualoa elementary school in Kona; and
- (2) DOE to study the feasibility of establishing a Hawaiian language program at Anuenue elementary school in Honolulu.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 419, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 419, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 894 Education on H.B. No. 1736**

The purpose of this bill, as received by your Committee, is to define the roles and responsibilities of the parent-community networking center (PCNC) programs.

Your Committee finds that the PCNC program is one of the most successful within the department of education. Over the years, the PCNC's have improved school-community relations, instilled positive attitudinal changes among teachers and parents, and increased the number of parents involved in the education of Hawaii's youth. Your Committee further finds that the success of the PCNC program is due largely to its flexibility to address the individual and varying needs of the school communities which they serve. Thus, your Committee does not see the need at this time to adopt in statute strictly defined objectives for the PCNC program.

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

- (1) Expanding the PCNC program to include an additional eighty-five schools;
- (2) Appropriating funds for the expansion; and
- (3) Changing the effective date to July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1736, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 895 Education on H.B. No. 1903**

The purpose of this Act is to provide funding through the issuance of general obligation bonds to construct, expand, and maintain public education facilities.

Your Committee finds that the 1989 legislature created the state educational facilities improvement special fund for the sole purpose of financing the State's school construction program. Along with the establishment of this fund, was a commitment from the legislature to deposit \$90,000,000 each fiscal year into this fund. Your Committee notes, however, that the State is facing serious fiscal constraints and does not have available cash for deposit into the fund. Thus, this measure is necessary to maintain the legislature's annual commitment to fund the school construction program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1903 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 896 Education on H.B. No. 1965**

The purpose of this bill is to provide administrative flexibility in the management of the public library system and to include the library system within certain statutes amended by Act 272, Session Laws of Hawaii 1994.

Your Committee finds that Act 272, Session Laws of Hawaii, mandated the use of carryover funds within the department of education only for instructional purposes, overlooking any carryover funds which may be generated by and should be appropriately designated for use by the library system. Your Committee further finds that other provisions in this measure streamline library operations and provide authorization for the reallocation of vacant positions to better meet the needs of library users.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1965, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 3 (Bunda, Matsunaga).

**SCRep. 897 (Joint) Transportation and Government Affairs and Communications and Public Utilities on H.B. No. 759**

The purpose of this bill is to provide for more efficient enforcement of the motor carrier law by the Public Utilities Commission by allowing the Commission to request that the Department of Transportation (DOT) require its motor vehicle safety officers to assist the Commission in the enforcement of the motor carrier law.

Testimony in favor of the bill was submitted by the Public Utilities Commission and the Hawaii Transportation Association. Your Committees finds that there is presently only one enforcement officer and that enforcement actions against illegal motor carriers cannot be adequately maintained. The ability to utilize Department of Transportation motor vehicle safety officers would alleviate inadequate enforcement of the State's motor carrier law. DOT opposed the bill on the basis that if its motor vehicle safety officers were required to go to court to enforce criminal sanctions, they would be unable to perform their own job responsibilities. However, testimony indicated that the Commission is unable to criminally sanction offenders as they have failed to develop a citation form which meets with court approval. DOT had no objection to the bill if it did not entail criminal enforcement.

Your Committees have amended the bill to:

- (1) Require the DOT to assign a motor vehicle safety officer to enforce the motor carrier law when requested by the PUC;
- (2) Provide that motor vehicle safety officers are authorized to assess civil penalties only;
- (3) Provide a one-year drop dead provision to determine the effectiveness of the proposed enforcement remedy; and
- (4) Make technical nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Communications and Public Utilities that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 759, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 759, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Matsuura, Solomon, Liu).

**SCRep. 898 Education on H.B. No. 1581**

The purpose of this bill is to amend Section 301-1, Hawaii Revised Statutes, to require the department of education to provide facilities and equipment for use by the adult and community education programs.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1581 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Bunda, Matsunaga).

#### **SCRep. 899      Ways and Means on H.B. No. 2133**

The purpose of this bill is to contain workers' compensation medical costs and to encourage workers' compensation insurers to reduce the population of employers insured in the residual market.

Specifically, this bill requires the director of labor and industrial relations to use the schedules of maximum allowable medical fees of prepaid health care plan contractors in establishing the medical fee schedules for workers' compensation claims. The bill repeals use of the consumer price index for automatic yearly increases to the fee schedules; instead, the bill sets maximum charges at one hundred-twenty per cent of the fees prescribed in the Medicare Resource Based Relative Value Scale system applicable to Hawaii.

Additionally, this measure recognizes a distinction between physicians and non-physicians, subjects both to the director's guidelines for treatments in excess of nineteen treatments, restricts employers to only one employer-requested medical examination of a claimant per case, and removes the twenty-one-day interval for required interim reports by physicians.

This bill requires all authorized workers' compensation insurers to participate in an assigned risk pool to insure employers unable to procure insurance through ordinary methods. The bill prohibits insurers from placing an employer in an assigned risk pool unless the pool uses an experience rating plan that includes eligibility standards, incentives for loss prevention, premium differentials to encourage safety, and policyholder limitations against escaping past adverse claims experience through changes of ownership, control, management, or operation.

Additionally, this bill requires the insurers in the assigned risk pool to adopt a plan for the residual market that would allow an insurer who voluntarily removes an insured risk from the residual market to obtain a take-out credit against the insurer's residual market assessment base levied by the plan. The bill requires a credit of \$2 for every \$1 of premium removed in the first year, and a dollar-for-dollar credit for the second and third years. The bill places no maximum limit on credits received provided that the credits do not reduce the insurer's assessment base below zero.

Lastly, this bill requires the auditor to conduct a two-year comprehensive management and financial audit of the assigned risk pool program to determine whether the residual market plan works as intended.

Your Committee finds that at present there is a marked disparity between workers' compensation medical fees and medical fees for non-work-related treatment, according to a November 1994 governor's task force report on workers' compensation. Hawaii's fee schedule for workers' compensation is reportedly the highest in the country, and fees for some procedures are feared to be as high as four hundred per cent of private sector charges. Moreover, this disparity appears to be facilitated by current law, which requires the medical fee schedule to be automatically increased each year by the consumer price index. Over the last six years such increases have totaled 34.6 per cent.

Your Committee agrees with the task force report that work-related and non-work-related medical fees must be brought into closer conformity with each other; that is, efforts must be taken to keep the fee schedule in line with fees charged by private providers for non-industrial treatment. Your Committee further believes that conformity may be best achieved by repealing the use of the consumer price index, and using instead the non-industrial fees charged by private prepaid health care contractors as the primary guideline or benchmark for the workers' compensation fee schedule, and the reimbursement allowances under the Medicare program as a basis for calculating allowances for medical treatments, accommodations, products, and services.

Furthermore, the governors' task force report also notes that the assigned risk pool, which is currently a voluntary residual market mechanism that serves as the insurer of last resort, acquired about thirty per cent of the total workers' compensation market as of the end of 1994, doubling its market share, and its costs, in just eighteen months. The residual market has grown so significant that about fifty-six cents out of every dollar of premiums for workers' compensation are spent on claims from the assigned risk pool, leaving only eight cents for regular claims. The rising costs of the assigned risk pool have resulted in dramatic increases in assessments against insurers. This situation has led to additional requests for rate increases by insurers, and has become a major reason for recent market withdrawals by insurers.

Your Committee believes that it is imperative that the residual market be reduced. Your Committee believes this reduction can occur through mandatory participation by insurers in an assigned risk pool that grants the insurer credit against the insurer's assessment base for the removal of an insured risk from the residual market. This credit gives insurers an incentive to remove enough insured risks from the pool so that the insurer's assessment base is correspondingly reduced.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, H.D. 2, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Fernandes Salling, Fukunaga, Liu).

**SCRep. 900 Agriculture, Labor, and Employment on H.B. No. 1041**

The purpose of this bill is to add a retiree of the Employees' Retirement System (ERS) to and remove a member of the clergy from, the Public Employees Health Fund's Board of Trustees (Board).

Your Committee finds that approximately 26,000 retirants of the ERS currently participate in the Public Employees Health Fund without any form of representation on its Board. Your Committee believes that such a large constituency deserves the right of representation on matters that would directly affect it.

Your Committee has amended the bill by replacing the phrase "retired member" with "retirant".

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 901 Agriculture, Labor, and Employment on H.B. No. 1133**

The purpose of this bill is to authorize the Department of Budget and Finance to issue up to \$5,000,000, in special purpose revenue bonds to assist Kerr Pacific Corp., dba HFM (Hawaiian Flour Mills) for the establishment of a feed milling operation.

Your Committee finds that it is in the public interest to strengthen the State's economic future by encouraging the development of diversified agriculture's processing activities which provide important and needed added value to expand the industry's viability beyond production. To this end, your Committee also finds that Kerr Pacific Corp., dba HFM (Hawaiian Flour Mills), generates \$12,000,000 in sales of locally-produced flour serving customers in Hawaii, Guam, Micronesia, and Japan, and would be able to utilize its flour by-product known as "millfeed" as a low-cost source of protein for animal feed in Hawaii, providing lower cost feed to farmers who, since the closing of the Fred Waldron Feed Company in 1993, must now purchase feed from out of state sources.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 902 Agriculture, Labor, and Employment on H.B. No. 1486**

The purpose of this bill is to authorize nonresident, unlicensed hunters to take game birds in commercial or private shooting preserves provided that:

- (1) The Department of Land and Natural Resources adopts rules;
- (2) The licensee includes in each quarterly report:
  - (a) Additional information on the number of nonresident hunters who are permitted to take game birds without a hunting license;
  - (b) The number of hunting days per unlicensed, nonresident hunter; and
  - (c) The amount of fees collected;
 and
- (3) The private and commercial shooting preserve licensees who allow unlicensed, nonresident hunters to hunt, pay an amount equal to the current nonresident Hawaii hunting license for each unlicensed, nonresident hunter.

Your Committee agrees with the general intent of this measure, which would permit nonresidents to participate in game bird hunting activities within the State, without the burden of completing the hunter education program required for licensing.

Your Committee believes, however, that the provisions contained in S.B. No. 1370, S.D. 2, the Senate companion bill to this measure, provide a more concise and effective framework in this regard. For instance, your Committee strongly believes that to ensure a safe hunting environment for resident and nonresident hunters alike, nonresident hunters must already possess valid hunting licenses from appropriate licensing authorities at their place of residence. This important requirement, as well as other related provisions, are noticeably absent from the measure before your Committee. Consequently, your Committee has amended this bill by deleting all existing provisions and by substituting in their place the provisions of S.B. No. 1370, S.D. 2.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1486, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1486, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 903 Agriculture, Labor, and Employment on H.B. No. 1838**

The purpose of this bill is to clarify the powers of the Board of Agriculture to adopt rules for the regulation of poultry manufacturing and processing.

This bill allows the Board of Agriculture to adopt rules as to the sanitary conditions of all establishments where poultry is slaughtered or poultry products are processed or prepared and allows the adoption of federal poultry inspection regulations.

Your Committee finds that the public health and safety necessitates the proper and sanitary slaughter and processing of poultry.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1838, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 904 Agriculture, Labor, and Employment on H.B. No. 1840**

The purpose of this bill is to allow the animal quarantine station to accept payment for goods and services by credit cards as may be deemed acceptable by the comptroller.

This bill also provides that a service fee may be assessed by the Department of Agriculture.

Your Committee finds that the use of credit cards to pay for fees and services is a quick and efficient way to collect money for the State, particularly as to the amount of charges which may result from quarantine.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1840 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 905 Agriculture, Labor, and Employment on H.B. No. 1841**

The purpose of this bill is to allow the Department of Agriculture to make direct loans to qualified aquaculturists.

To qualify for these simple interest loans, aquaculturists must be unable to obtain sufficient funds at reasonable rates from private lenders either independently or pursuant to other department loan programs. The loans are limited by the current statutory restrictions on aquaculture loans.

Your Committee finds that direct loans would supplement the other existing aquaculture loan programs, which provide for insuring loans or participating in loans with private lenders. These loans provide much needed funds for the establishment of aquaculture farms, aquacultural produce processing, and aquacultural product development. Your Committee further finds that aquaculture is a potentially viable industry for the State and should be encouraged and promoted.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1841, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 906 Agriculture, Labor, and Employment on H.B. No. 1842**

The purpose of this bill is to repeal section 155-15, Hawaii Revised Statutes, which authorized the Department of Agriculture to make loans to independent sugar growers.

This law had been enacted to assist independent sugar growers by providing supplemental financing to cover shortages when crop revenues were insufficient to repay private loans, and by providing supplemental financing for cultivation costs which exceeded loans from private lenders secured by the crops. However, there are presently no independent sugar growers in the State.

This is an administration measure submitted by the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1842 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 907    Agriculture, Labor, and Employment on H.B. No. 1846**

The purpose of this bill is to simplify the calculation and payment of insurance fees for agriculture and aquaculture loans.

Your Committee finds that the present method of calculating insurance fees for agriculture and aquaculture loans is cumbersome for private lenders to calculate and for the department of agriculture to monitor. Your Committee further finds that the ability to pass on insurance fees to borrowers will enable private lenders to have the same return on comparable loans without resorting to charging a higher rate of interest.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1846, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 908    Agriculture, Labor, and Employment on H.B. No. 1847**

The purpose of this bill is to delete the requirement that the department of agriculture obtain the governor's approval prior to entering into any contracts or agreements.

Your Committee finds that the department of agriculture spends a substantial amount of time and effort seeking the governor's approval prior to executing contracts and agreements. Your Committee further finds that this measure will provide the department of agriculture with the same authority given other state agencies to determine which contracts and agreements require prior approval from the governor.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1847 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 909    Agriculture, Labor, and Employment on H.B. No. 2008**

The purpose of this bill is to authorize the department of agriculture to establish administrative rules to issue licenses to qualified aquaculturists.

Your Committee finds that the licenses will allow qualified aquaculturists to rear, possess, and sell aquatic life whose fishing, possession, or sale is prohibited by closed season or size and bag limits. Your Committee further finds that the licensing will assure that such aquatic life that is cultivated for sale is reared within an aquaculture facility.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2008 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 910    Agriculture, Labor, and Employment on H.B. No. 2107**

The purpose of this bill is to establish a revolving fund for the Department of Agriculture to provide inspection services to ascertain and certify the grade, classification, quality, and condition of fresh or processed coffee and to provide a startup appropriation for the fund.

Your Committee finds that currently, coffee farmers and processors are charged fees for Department of Agriculture-certified coffee inspections. These fees are subsequently deposited to the credit of the state general fund, resulting in the loss of direct benefit to the industry which supplied the revenue.

Your Committee also finds that state budget cuts have forced the Department of Agriculture to reduce staff and program funding for coffee inspections. As a result, several qualified individuals were forced into retirement or were laid off, thus jeopardizing the effectiveness of the coffee inspection/quality control program. The proposed revolving fund would generate funds from all revenues derived from fees and charges for coffee inspection services and provide funding to maintain adequate coffee inspection services, thereby protecting the program from the consequences of possible future budget cuts.

Your Committee has amended the bill by:

- (1) Designating the proposal for the establishment of the revolving fund as a new section of chapter 147, Hawaii Revised Statutes, rather than as a new part to the chapter;
- (2) Adding a section to the bill that amends section 486-120.6, Hawaii Revised Statutes, to require that the phrase, "contains not less than ten per cent Kona coffee" appear immediately below the coffee blend name on the front panel of the coffee packaging unit;
- (3) Changing the requirement that fees and charges established by the Department of Agriculture for coffee inspection be subject to chapter 91, Hawaii Revised Statutes, to being exempt from chapter 91;
- (4) Deleting the \$1 appropriation and leaving the amount blank;
- (5) Requiring that any funds appropriated by the Legislature be matched by the coffee industry; and
- (6) Making stylistic amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 911 Agriculture, Labor, and Employment on H.B. No. 2333**

The purpose of this bill is to provide legal counsel to current and former county officers and employees, excluding police officers, firefighters, and liquor inspectors, who are prosecuted or sued as a result of the performance of their duties.

Specifically, the bill provides a current or former county officer or employee who is being criminally prosecuted for acts committed in the performance of their stated duties with representation by an attorney employed and paid for by the county. In cases where the current or former officer or employee is sued in a civil action for acts committed in the performance of the officer's or employee's stated duties, the officer or employee shall be entitled to representation from the county attorney or corporation counsel, as the case may be, of the county, or if permitted under the appropriate county charter, by an outside attorney to be employed by the officer or employee and paid for by the county.

Additionally, in order to determine whether a current or former county officer or employee was acting within the scope of the officer or employee's authority when the act was committed, the bill requires the county attorney or the corporation counsel, as the case may be, to make a binding determination on the matter.

Your Committee understands that providing county officers and employees with legal counsel allows them to concentrate on their work rather than on the potential liability of their work-related actions. However, your Committee does not feel that mandating such representation by the various counties without regard to the counties' fiscal situation would be prudent. Additionally, with regard to cases involving former county officers and employees or cases involving criminal prosecution, your Committee believes that both current and former county officers and employees should obtain their own legal counsel.

Accordingly, your Committee has amended the bill to allow the counties to negotiate the procedure and criteria of providing legal representation for county officers and employees as a part of collective bargaining agreements, and deleting the language providing county officers and employees with legal representation for criminal proceedings.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2333, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2333, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 912 Ecology and Environmental Protection on H.B. No. 386**

The purpose of this bill is to require the Department of Health to comply with the Hawaii Administrative Procedure Act (HAPA) regarding the implementation, administration, and enforcement of Hawaii's environmental laws concerning environmental response, air pollution control, water pollution, hazardous waste, solid waste management and pollution, underground storage tanks, and asbestos removal.

Upon further consideration, your Committee has amended this bill by deleting its contents and substituting language that promotes environmental education initiatives and programs by amending sections 344-3 and 344-4, Hawaii Revised Statutes, requiring that the State promote and actively support: cooperative initiatives with the private sector; the development, adoption, and implementation of a statewide plan for environmental education; development of a statewide database; providing pre-service and in-service teacher training; and establishing post secondary training programs to provide qualified personnel.

Your Committee finds that prevention, through environmental awareness and education, is the most effective method for protecting the environment, and that there are private organizations willing to support environmental education efforts through funding or volunteer time.

Your Committee further finds that working with existing environmental education and awareness programs, entering into an era of cooperation between the public, private sector, and government, providing public officials and others in the public eye the training and opportunity to educate others, has the potential to economically further the State's environmental policy.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 386, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 386, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 913 (Joint) Agriculture, Labor, and Employment and Higher Education, Culture, and Arts on H.B. No. 1129**

The purpose of this bill is to establish the Agricultural Leadership Program as a permanent program at the University of Hawaii.

Your Committees find that the changes and crises facing Hawaii's agricultural industry require the State to exhibit educational leadership in the field of agriculture. The Agricultural Leadership Program, which is designed to promote the development of leadership skills necessary for a successful agricultural industry, will train future agriculturists for success.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Higher Education, Culture, and Arts, that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1129 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Ikeda, Solomon, Anderson).

**SCRep. 914 Consumer Protection on H.B. No. 2215**

The purpose of this bill, as received by your Committee, is to stabilize and ultimately reduce homeowner insurance costs by authorizing the director of finance to secure necessary funds to satisfy the share of liability currently reinsured by the Hawaii hurricane relief fund.

Your Committee finds that Hurricane Iniki caused an estimated \$1,600,000,000 in insured property losses to various parts of the State. Prior to the hurricane, homeowners' insurance covered losses from fire, windstorm, hurricane, and other causes, but immediately after the hurricane, homeowners' insurance which included hurricane coverage became difficult to obtain. Your Committee further finds that in 1993, the legislature created the Hawaii hurricane relief fund in an effort to encourage companies to resume writing homeowners' insurance policies in Hawaii. Despite the creation of the fund, however, homeowners are currently forced to pay premiums at levels three to four times the rate paid prior to Hurricane Iniki.

In order to stabilize and reduce insurance rates, your Committee believes that the State should consider the feasibility of alternative sources of funding to satisfy the \$500,000,000 share of liability currently reinsured by the hurricane relief fund. Therefore, your Committee has amended this bill to increase the ceiling of the original revenue bond authorization from \$200,000,000 to \$500,000,000.

Upon further consideration, your Committee also finds that under existing law, police chaplains are precluded from obtaining workers' compensation benefits. Your Committee further finds that the workers' compensation law should be amended to include police chaplains so that our workers' compensation policy affords equal treatment of volunteers in public service. Your Committee, therefore, has inserted provisions related to the coverage of police chaplains under the workers' compensation law.

Your Committee has further amended this bill by changing the effective date of the bill to upon approval except for section 5 and making technical, nonsubstantive changes for the purposes of clarity and proper drafting style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2215, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Anderson).

**SCRep. 915 Transportation and Government Affairs on H.B. No. 715**

The purpose of this bill is to establish a felony offense for those who are convicted of habitually driving under the influence of intoxicating liquor or drugs. A person is deemed to be a habitual offender if the person has three or more convictions for driving under the influence (DUI) in a ten-year period.

Your Committee finds that statistics indicate that the law enforcement agencies of the State are to be applauded for their efforts since 1993 which have resulted in decreased numbers of highway deaths linked to alcohol consumption, in all Hawaii counties but one. Clearly, vigorous enforcement is the key to reducing the number of alcohol-related accidents, with education and public awareness of the problem being key elements of the equation, as well.

Maui County, the only Hawaii county which experienced an increase in the number of driving-under-the-influence arrests in 1994, recorded a decrease in "alcohol-related traffic deaths" which was far better than any other county. Tragically, the County of Kauai saw a 250 per cent increase in such fatalities, and it is suspected that what may be needed there is the kind of fully staffed, highly motivated DUI task force which has been in operation on Maui. In addition, your Committee would recommend that increased efforts promoting public education and awareness be directed at the County of Kauai by such agencies and groups as the Governor's Highway Safety Council and MADD.

Your Committee has amended the bill by:

- (1) Lowering the blood alcohol concentration (BAC) threshold under chapter 286, Hawaii Revised Statutes (HRS), from .10 to .08 to reinforce in the minds of Hawaii drivers the clear message sent by reforms initiated by the Legislature in previous years, that operation of motor vehicles on public highways in Hawaii while under the influence of intoxicating liquor or drugs will not be tolerated;
- (2) Increasing sanctions under section 291-4(2) and (3), HRS, for repeat offenders who demonstrate a deliberate disregard for the safety for their fellow highway users and for the sanctity of life itself, and are deserving of even stronger sanctions than are presently allowed;
- (3) Eliminating the requirement for providing proof of financial responsibility under section 270-20, HRS, following an administrative revocation proceeding or DUI conviction for first time offenders as such a requirement poses an additional and severe financial burden for first-time offenders. According to the testimony of the Department of Finance of the City and County of Honolulu on Senate Bill No. 1302, the "excessive" 100 per cent to 400 per cent premium surcharge imposed by insurers in connection with the SR-22 filing, "is the primary reason many cases are pending in the courts". As a result, many of Hawaii's most dangerous drivers add to the already unacceptably large numbers of persons who elect to drive without insurance, a substantial number of whom are first-time DUI offenders. If the proof of financial responsibility requirement presently operates as a deterrent to driving under the influence (as has been asserted regularly without substantiation in various legislative hearings) the price paid by the State for such an alleged deterrent effect is far too great. Moreover, such a discriminatory and draconian form of deterrent would seem to benefit mainly the interests of the State's insurance industry, at the expense of the public at large; therefore, it is clearly an unfair and unacceptable form of deterrent, except possibly when applied to repeat offenders who present an overriding risk to all other highway users; and
- (4) Providing that a person is a habitual offender if he or she has four or more DUI offenses within a ten-year period.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 715, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 715, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 916 Transportation and Government Affairs on H.B. No. 1691**

The purpose of this bill is to require that the Office of Veterans' Services inspect, at least twice a year, all state war memorials and veterans' cemeteries for repair and maintenance deficiencies and report them to the Adjutant General and the Comptroller.

This is a companion bill to S.B. No. 1509 which received favorable testimony from the Office of Veterans' Services and the Department of Accounting and General Services. Your Committee believes that the State has an obligation to maintain its war memorials and veterans' cemeteries. Your Committee has amended the bill to:

- (1) Require annual rather than biannual inspections;
- (2) Require a report be provided to the Legislature as well as the Adjutant General and the Comptroller; and
- (3) Delete the requirement that the Comptroller's yearly report include the information submitted by the Office of Veterans' Services.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1691, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1691, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 917 Transportation and Government Affairs on H.B. No. 1274**

The purpose of this bill is to delete criminal penalties for parking violations on state lands within the comptroller's jurisdiction.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1274 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 918 Transportation and Government Affairs on H.B. No. 2049**

The purpose of this bill is to place law enforcement and parking facilities at airports under the jurisdiction of the department of transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2049, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 919 Transportation and Government Affairs on H.B. No. 2050**

The purpose of this bill is to provide for the disposal of unclaimed impounded vessels when no bids are received at public auctions.

Your Committee finds that this measure is necessary, since under current law there is no alternative for the disposal of impounded vessels when no bid is obtained at public auction.

Your Committee has made a technical, nonsubstantive amendment for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2050, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 920 Transportation and Government Affairs on H.B. No. 2053**

The purpose of this bill is to update the programs for which the Department of Transportation (DOT) is responsible.

In particular, the proposed legislation amends section 26-19, Hawaii Revised Statutes, by recognizing transportation demand management (TDM) programs as a separate program function from transportation systems management (TSM) programs, and by including telecommuting and pedestrian programs as TDM programs for which DOT is responsible. The Highway Division of DOT has responsibility for TSM programs and the Public Affairs Office has functional responsibility for TDM programs.

Your Committee finds that this housekeeping measure is in the public interest and will promote the efficient operation of DOT.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2053 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 921 Transportation and Government Affairs on H.B. No. 2323**

The purpose of this bill is to delete the specific conditions for nonsignificant zoning changes. Presently the law defines a nonsignificant zoning change as one not affecting more than five per cent or one acre of any parcel of property, whichever is less, and which complies with the general plan and the development plan. The bill substitutes "minor" for "nonsignificant" and provides that each county shall condition such map adjustments as it deems appropriate in lieu of the deleted specific conditions.

This is a companion bill to S.B. No. 1562 which received favorable testimony from the County of Hawaii Planning Department and the City and County of Honolulu Department of Land Utilization. Testimony indicated that the present law was too restrictive as few applicants can meet the requirements. Further, the bill would remove restrictions on the county's zoning powers which are granted to the counties by the State. The house bill differs from the senate bill by requiring each county to define "minor zoning changes" by ordinance.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, H.D. 2, and

recommends that it pass Second Reading and be referred to the Committee on Planning, Land and Water Use Management.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 922 Health on H.B. No. 1976**

The purpose of this bill is to provide the community hospital system with increased flexibility in fiscal matters, purchasing procedures, and personnel management.

In particular, this bill:

- (1) Establishes thirteen hospital operations funds -- one for each public health facility for certain purposes and provides procedures for their maintenance including annual reports to the governor and legislature;
- (2) Exempts the Division of Community Hospital's (DCH) special funds from transfers for central service expenses by the director of finance;
- (3) Exempts the DCH's special funds from their prorated share of departmental administrative expenses incurred for operations supported by the special funds;
- (4) Grants the DCH the power to transfer special fund appropriations among any or all programs administered by the DCH, requires quarterly and annual reports, and prohibits the DCH from using current appropriations so that programs are expanded to incur increased future state funding;
- (5) Requires that DCH accounts be uncollectible for at least one year before being deleted from the DCH's accounts receivable records; provided that the director of health may declare certain accounts under \$100 uncollectible;
- (6) Removes the administrator of the procurement office in the department of accounting and general services as the procurement officer of the DCH;
- (7) Clarifies the department of health's (DOH) power to participate in health care service and insurance and other alternative health care delivery programs to the extent that they involve discounts and contractual adjustments from its rates, rents, fees, and charges;
- (8) Grants the DOH the specific power to declare accounts to be uncollectible;
- (9) Grants the DCH the power to increase as well as decrease rates, rents, fees, and charges by up to five per cent per fiscal year; and
- (10) Exempts the DCH pilot autonomy hospitals from competitive bidding and preference statutes.

Your Committee is in accord with the general intent of this measure, however, it believes that the provisions contained in S.B. No. 1674, S.D. 2, the companion bill to this measure, more concisely and effectively promote the stated objective of improving the delivery of health care services by Hawaii's public hospital system. Your Committee, therefore, has amended this measure by deleting all existing provisions and substituting the provisions of S.B. No. 1674, S.D. 2.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1976, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1976, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Kanno).

**SCRep. 923 Judiciary on H.B. No. 114**

The purpose of the bill, as received by your Committee, is to amend the campaign spending statute to provide for a full-time executive director and to repeal the confidentiality provision regarding the filing of complaints and proceedings before the commission prior to a finding of probable cause.

Your Committee believes that the demands placed on the campaign spending commission require a full-time commitment director. Your Committee recognizes that the position in fact has always required a full-time director but as an accommodation to the previous director who wished to continue his practice of law, the position was classified as part-time.

Your Committee has amended the bill to delete the provision which requires that complaints and all proceedings before the commission be confidential unless the commission finds probable cause. According to testimony by the campaign spending commission, the Ninth Circuit Court of the United States has ruled that the entire confidentiality provision under Hawaii law on campaign spending is unconstitutional.

Your Committee has also amended the bill to include funding for the development and improvement of the commission's computer network. The funding will be used for software development and the purchase of hardware which would allow the candidates and committees to transmit their reports by modem or by bringing in their diskettes. The

computerized system will also allow the public immediate access to the spending records as well as allow the commission to monitor reports and analyze data more quickly.

Your Committee has also amended the bill by allocating funds to enable the commission to contract for an investigator.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 114, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 114, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 924      Judiciary on H.B. No. 283**

The purpose of the bill is to protect Hawaii property from actions by another state seeking attachment and execution under judgments that relate to any income tax imposed on pensions by the other state.

Your Committee finds that the incomes of Hawaii residents who previously earned pensions in states such as California, for example, are subject to income tax by that State. Your Committee feels that a fundamental unfairness results from this situation, as the tax applies to both the adjusted gross income earned in Hawaii as well as the deferred pension income earned in the other state. The tax collected by California in effect results in a double-taxation of Hawaii residents, thereby depriving financially-limited senior citizen taxpayers and the State economy of significant sums of money.

Your Committee believes that the legislature, in exercising its duty to protect the interests of its Hawaii residents, needs to address this issue. While cognizant of the full faith and credit clause of the U.S. Constitution, your Committee strongly believes that only by passing this measure will a legal challenge to California law find its way to the courts, and result in a resolution of the issue.

The National Association of Retired Federal Employees, along with several senior citizens from across the state, testified in strong support of the bill. Each confirmed the finding of your Committee that the California law which taxes adjusted gross income, which could include the income earned in Hawaii, is fundamentally unfair.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 283 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 925      Judiciary on H.B. No. 1773**

The purpose of the bill, as received by your Committee, is to create a new source of funding for legal services to indigent persons by charging a fee to persons filing in the circuit courts.

Your Committee finds that less than 10 per cent of Hawaii's poor receive assistance with their civil legal problems, making Hawaii's record among the worst in the nation. Hawaii's existing indigent legal service providers are currently struggling to improve this percentage, but because the need for these providers' services is growing, they are unable to make improvements without some additional source of funding.

Your Committee amended the bill to specify that in addition to these proceeding in forma pauperis, no surcharge will be imposed for answers, demands for jury trials, small claims court filings, nor will any surcharge be imposed on any party filing a petition for a temporary restraining order. Your Committee believes that, by limiting the surcharge to filings in the circuit courts and to appellate filings in the supreme court, the burden will be borne by those best able to afford the surcharge.

In addition, your Committee made several technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1773, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1773, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 926      Judiciary on H.B. No. 1853**

The purpose of the bill is to authorize state and county criminal justice agencies, acting on behalf of the Hawaii Criminal Justice Data Center (HCJDC), to charge fees for conducting criminal history record checks, processing expungement applications, and accessing state criminal justice information. In addition, it establishes a revolving fund with the moneys generated from the assessed fees, to be used to improve the criminal history record information system.

Your Committee recognizes that the demand for conviction information has escalated, as awareness has grown regarding the availability of such information as public record. Your Committee finds that 50,000 records of disposition

remain outstanding, despite HCJDC's efforts to improve the accuracy, timeliness, and completeness of the information found in the Offender-Based Transaction Statistics/Computerized Criminal History (OBTS/CCH) system.

Your Committee finds that the fees recommended in the bill are nominal and are not likely to place an undue burden on those requesting HCJDC records. By establishing fees, HCJDC will be able to recoup part of the costs associated with providing criminal history information, as well as costs associated with improving the quality of criminal history records as mandated by recent federal acts.

Your Committee received testimony in support of the bill from the attorney general and Big Brothers / Big Sisters of Honolulu. In accordance with the testimony received, your Committee amended the bill by deleting the exemption for cases of hardship, which your Committee believes is an ambiguous term. Your Committee amended the bill, instead, to permit HCJDC fees to be waived for non-profit organizations that are tax-exempt under the Internal Revenue Code section 501(c)(3) and whose volunteers have direct contact with minors. Your Committee finds it is in the public interest to waive the fee for criminal history checks for programs involving children and minors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1853, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1853, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 927      Judiciary on H.B. No. 1857**

The purpose of the bill, as received by your Committee, is to permit the child support enforcement agency (CSEA) to provide information to consumer credit reporting agencies about any delinquent obligor and to allow the CSEA to charge a reasonable fee for this information.

The measure also establishes procedures to enforce liens against real and personal property of a debtor parent who owes overdue support and who resides or owns property in the State. Finally, the bill allows the attorney general to appoint an assistant administrator to serve as controller, and a staff attorney to serve as supervisor of the child support administrative process and staff.

Your Committee believes that providing information to consumer reporting agencies on delinquent child support payments will encourage obligor parents to regularly make their child support payments. In addition, your Committee finds that enabling the CSEA to collect fees for this information, as all ongoing business concerns do, will enable the State to recover a portion of the personnel and administrative expenses associated with this service.

Your Committee recognizes that enforcement of child support obligations through real and personal property liens is likewise an effective tool in the collection of delinquent child support payments. Clarifying that child support orders should be filed with the bureau of conveyances only after filing the order with the clerk of the appropriate circuit court, and that the lien becomes effective immediately upon recordation of the child support order at the bureau, will clarify our procedures for all parties concerned.

Your Committee received testimony in support of the bill from the state attorney general.

Upon further consideration, your Committee amended the bill to require that all fees collected be deposited to the general fund.

Your Committee also amended the bill to authorize the attorney general to appoint an administrator for the child support enforcement agency without regard to chapters 76 and 77 of the Hawaii Revised Statutes. Your Committee heard this matter when deliberating S.B. 163, which is presently before the House of Representatives.

The attorney general submitted oral testimony in support of this initiative as CSEA resources comprise a significant portion of the department's overall budget and personnel. It is the attorney general's view that this bill assures that the level of accountability and performance currently required of the department's other division-level supervisors, who are also appointed by the attorney general, will include the CSEA administrator.

Your Committee concurs with the view of the department and is aware that CSEA has been the subject of two reports by the legislative auditor over the last five years and that despite the efforts of many dedicated staff, the agency was the third largest source of complaints to the Ombudsman during the 1990-92 period. Although the agency has improved both the quality and output of its services to the community since then, your Committee finds that it is in the public interest to provide the increased public accountability and internal managerial responsiveness implicit in this measure.

Your Committee recognizes that the parents and children who benefit from these payments rely on CSEA for their economic well-being, deserve an efficiently run agency that is responsive and sensitive to the needs of its clients.

Your Committee further amended the bill by making technical, nonsubstantive changes for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1857, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1857, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 928     Judiciary on H.B. No. 2022**

The purpose of the bill, as received by your Committee, is to provide that the court may order restitution to the criminal injuries compensation commission in the event the victim has been given an award for compensation by the commission.

Currently, the commission receives some funds from restitution. However, the law as written, is ambiguous as to the commission's authority to receive restitution directly from the courts. The bill resolves this by providing that the court may order restitution to be paid to the commission.

Testimony in support of the measure was submitted by the Committee from the criminal injuries compensation commission and the Honolulu prosecuting attorney.

Your Committee finds that the importance of restitution to restore the victim as well as to rehabilitate the defendant cannot be overemphasized. Your Committee finds it is appropriate and fiscally responsible to require that convicted defendants reimburse the criminal injuries compensation commission if a victim has been given an award by the commission.

Upon further review, your Committee finds that the bill as introduced permits the court to order restitution to the commission in the event the victim has applied for compensation. Your Committee recognizes that a victim's application for compensation provides no guarantee that the victim will be given an award, and therefore, may be premature. Your Committee has therefore amended the bill to permit the court to order restitution to the commission in the event that the victim has been given an award.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2022, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 929     Judiciary on H.B. No. 2024**

The purpose of the bill is to authorize the department of public safety to hire exempt employees for its correctional industries program, and to require the department to submit an annual report to the legislature detailing information on positions established under the program.

Your Committee finds that the correction industries program operated by the department of public safety is a self sustaining operation, and that these positions are vital to the program's continuing success. In addition, the department also needs to have the authority to release employees in response to market conditions. Your Committee believes that the success of the program is an important part of rehabilitation, as it provides inmates with labor skills that may assist in their return to the community.

Your Committee received testimony in support of the bill from the department of public safety. The department testified that the legislation enabling correctional industries to operate like a business has brought the program from a low national ranking to the sixth most successful program in the country. From a correctional population of 2,200 in 1994, 350 inmates were employed, selling \$5,400,000 in goods and services. Your Committee realizes that the department's authority to hire additional employees is essential for it to maintain its high level of success.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2024 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 930     Judiciary on H.B. No. 2025**

The purpose of the bill is to extend the sunset date in Act 151, Session Laws of Hawaii 1993, as amended by Act 61, Session Laws of Hawaii 1993, from July 1, 1995 to 1998, for the completion of improvements to the women's community correctional center as required in the Spear v. Waihee consent decree.

Testimony in support of the measure was received from the department of public safety. Your Committee finds that failure to enact this measure will delay the construction of the women's correctional center.

Your Committee is aware that the nearly \$6 million required to underwrite the renovations needed to convert the Olomana cottage to the site for the women's correctional center is currently under review by the Legislature. If the completion date is not extended from July 1, 1995 to July 1, 1998, however, there will not be sufficient time to complete the project, even if the funding is approved, resulting in costly fines and penalties for failure to comply with the consent decree.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2025 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 931      Judiciary on H.B. No. 2031**

The purpose of the bill is to clarify the ability of the director of taxation to collect delinquent State taxes whenever an eminent domain proceeding is brought by the State or any county when acquiring the fee simple interest in real property.

Presently, only delinquent county real property taxes are clearly referred to in eminent domain statutes. This measure will allow the department to ensure that all state taxes due are duly collected during eminent domain proceedings.

This measure also clarifies that the real property function is at the county level and not the State level. Finally, the measure treats as an evidentiary matter in eminent domain proceedings, the value the taxpayer has placed on his property in real property tax appeal proceedings.

Testimony was received in support of the bill from the department of taxation. Testimony from the Kamehameha Schools/Bernice Pauahi Bishop Estate (KSBE) suggested that the bill be amended to clarify the long term ground lease issue with regard to a lessee and lessor.

Your Committee finds that if a lessee or a person otherwise under a contractual obligation to pay real property taxes appeals the real property tax assessment, the evidence submitted in such an appeal should not be used as evidence in an eminent domain proceeding against the fee owner, when the fee interest is being condemned. Your Committee amended the bill to reflect this finding. The tax director concurred with the amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2031 H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2031 H.D. 1, S.D. 1 and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 932      Judiciary on H.B. No. 2038**

The purpose of this bill, as received by your Committee, is to adopt the federal standards and penalties for the prosecution of tax offenses.

The bill consolidates the criminal tax penalties under Title 14, Hawaii Revised Statutes, (HRS), by repealing each penalty section throughout Title 14, HRS, and setting forth new criminal tax penalties in chapter 231, HRS. The bill also incorporates penalty provisions similar to those contained in the Internal Revenue Code.

More specifically, this bill establishes a misdemeanor for a wilful failure to file a return. A felony is established for wilfully making a false or fraudulent statement or wilfully aiding or assisting in the preparation of a false or fraudulent statement. A felony is also established for attempting to evade or defeat a tax. An additional new section relating to interpretation has been added to chapter 231, HRS, which provides that certain sections are to be construed in accordance with judicial interpretation given to similar provisions of Title 26 of the United States Code.

Your Committee received testimony in support of this bill from the director of taxation and from the Tax Foundation of Hawaii, which took no position on the bill.

Your Committee believes that stronger penalties will deter persons from committing acts in violation of the tax laws, and that without stiffer penalties, the State will be impeded in its enforcement efforts.

Your Committee believes that the statute of limitations in the bill, as received, of six years does not grant the tax department sufficient time to adequately review prospective cases and therefore has amended the bill to extend the limitation to eight years after the commission of the offense.

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

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 933      Judiciary on H.B. No. 2041**

The purpose of the bill is to allow the department of taxation to compromise delinquent tax liabilities where the amount of the compromise is less than \$50,000, without the approval of the governor.

The director of taxation testified in support of the measure.

Under current law, the governor's approval is required for all compromises on delinquent tax liabilities. Your Committee finds that this has resulted in a system that is overly cumbersome and inefficient, because even the smallest claims have to await approval by the governor. Your Committee finds that the bill does not jeopardize the integrity of the compromise process, because all such compromise agreements are open for public review. Furthermore, the bill will permit the tax department to settle tax disputes more efficiently and improve tax collections, which will ultimately increase State revenues. Your Committee finds that the \$50,000 ceiling is an amount that may be responsibly delegated to the director of taxation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2041 H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 934 Ecology and Environmental Protection on H.B. No. 397**

The purpose of this bill is to grant the director of health authority to issue an emergency order without the governor's approval when imminent peril to public health and safety is or will be caused by the release or discharge of environmental pollutants.

Your Committee finds that the proposed amendments to chapter 342, Hawaii Revised Statutes, would no longer require the governor's approval for issuance of emergency orders, thus allowing the department to take immediate action to reduce or stop environmental pollution which could effect the health and safety of the public. The consequences of improper management of solid and hazardous wastes and their resulting impacts on our ground and surface waters pose serious threats to the public's health and safety, and require an immediate response from the department.

Your Committee received favorable testimony from the Department of Health.

Your Committee has amended this bill by allowing the governor as well as the director to issue an emergency order in order to avoid unnecessary delay should the director be ill, out of State, or otherwise unable to issue an emergency order. Allowing either the governor or the director to issue an emergency order will ensure the quickest response to reduce or stop environmental pollution which poses a threat to the public's health and safety.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 397, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 935 Ecology and Environmental Protection on H.B. No. 731**

The purpose of this bill is to clarify the legislative intent to provide operational authority for the Clean Hawaii Center and its board.

This bill will transfer the Clean Hawaii Fund from the Department of Health to the Department of Business, Economic Development, and Tourism. Both departments testified in support of this bill as did the Environmental Center of the University of Hawaii at Manoa.

Your Committee has amended this bill by increasing the appropriation from \$1 to \$300,000.

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

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 731, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 731, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 936 Ecology and Environmental Protection on H.B. No. 879**

The purpose of this bill is to establish an interagency committee on energy conservation and recycling implementation.

The interagency committee shall implement programs which promote energy conservation and recycling which include the green lights program in state facilities, the development of performance contracting with the private sector, the use of solar water heating, and others.

Your Committee amended this bill by naming additional members to the interagency committee, and by establishing an energy revolving fund which allows the department of business, economic development, and tourism to be reimbursed for savings gained through energy savings programs in state facilities.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 879, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 937 Economic Development on H.B. No. 392**

The purpose of this bill is to encourage energy conservation by allowing an agency that implements energy-saving practices to reduce the agency's utility costs to continue receiving budget appropriations for energy expenditures at a level equal to the appropriations made before the energy saving actions were taken.

The Department of Health and the Department of Business, Economic Development, and Tourism testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 392, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 938 (Joint) Economic Development and Planning, Land and Water Use Management on H.B. No. 513**

The purpose of this bill is to integrate the Hawaii Ocean Resources Management Plan with the coastal zone management program by specifying the duties and responsibilities of the Office of State Planning as the lead agency of the coastal zone management program in carrying out the policies, principles, and recommendations of the Plan.

Your Committees received strong support in favor of this bill from sources which included the Office of State Planning, the University of Hawaii, the Sierra Club of Hawaii, Charles Keever, and Terry O'Halloran. Supporters felt that this bill would allow for a more efficient and comprehensive management of Hawaii's coastal and marine resources, and offered great improvements upon previously proposed legislation.

Your Committees have amended this bill by changing the membership of the marine and coastal zone management advisory group from not less than eighteen to twenty members, and by making technical, nonsubstantive changes for purposes of style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Planning, Land and Water Use Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 513, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 513, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Holt, Anderson).

**SCRep. 939 Economic Development on H.B. No. 518**

The purpose of this bill is to encourage energy cost savings in public buildings.

This bill requires the State to consider the feasibility of installing cool storage air-conditioning systems in air-conditioned public buildings and facilities planned after July 1, 1995, and that such a system be installed if the feasibility study indicates a simple payback of five years or less.

Your Committee received testimony in favor of this bill from various sources. The Department of Accounting and General Services recommended that feasibility studies should not be performed unless the air conditioning system costs more than a determined minimum amount. They further recommended that the feasibility studies be filed with the Department of Business, Economic Development, and Tourism Energy Division.

Your Committee amended this bill by requiring a feasibility study to be performed when the estimated cost of an air-conditioning system is greater than \$250,000, and that the feasibility studies be filed with the Department of Business, Economic Development, and Tourism Energy Division.

Your Committee made other technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 518, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 518, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 940 Economic Development on H.B. No. 1875**

The purpose of this bill is to update chapter 212, Hawaii Revised Statutes (HRS), to be consistent with the current federal regulations relating to zone status classifications, to explicitly permit the expenditure of moneys from the special fund for capital improvement projects, and to correct the spelling of "foreign-trade zone" in two places by proper inclusion of the hyphen.

The Department of Business, Economic Development, and Tourism testified that the bill is necessary to make the language of the chapter clearer. The bill accomplishes this by conforming to the federal version, Title 19, Chapter 146, Code of Federal Regulations, fixing punctuation errors, and amending section 212-9, HRS, to explicitly permit the expenditure of the special fund moneys for capital improvements.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 941 Economic Development on H.B. No. 1877**

The purpose of this bill is to repeal chapter 211, Hawaii Revised Statutes (HRS), which authorizes the Director of Business, Economic Development, and Tourism (DBEDT) to guarantee commercial loans made by private lenders.

DBEDT gave strong testimony in favor of this bill. DBEDT stated that the ready availability of loan guarantees from several federal agencies has made this program unnecessary. In fact, chapter 211, HRS, has not been used since its creation in 1965.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1877 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 942 Economic Development on H.B. No. 1878**

The purpose of this bill is to simplify the implementation and improve the effectiveness of the State Enterprise Zones Program.

Specifically this bill will:

- (1) Clarify which employees qualify as low-income employees;
- (2) Limit tax credits to income taxes only;
- (3) Update references to federal programs; and
- (4) Delete the requirement that a certified public accountant complete the form stating that the business is a "qualified business".

Your Committee has amended this bill by deleting only the word "certified" rather than "certified public" when identifying the type of independent accountant responsible for determining whether a business firm meets the definition of a "qualified business".

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

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1878, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1878, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 943 Education on H.B. No. 1626**

The purpose of this bill, as received by your Committee is to establish a community service requirement for graduation from public high schools.

Your Committee finds that community service is a valuable way for students to learn about making a contribution to their community and the society-at-large. However, your Committee also notes that the school/community-based management initiative adopted by the legislature intends that the schools begin to develop their own programs in response to the particular needs of their student populations. Your Committee further finds that to fully realize the intent of school/community-based management and other school autonomy initiatives, there needs to be a cohesive statement of legislative intent regarding the furtherance of these initiatives.

Upon further consideration, your Committee has amended this bill by deleting its contents and substituting the following:

- (1) Amending certain provisions regarding the establishment of student-centered schools to exempt them from certain board of education policies, departmental rules, and the state procurement code, require compulsory attendance for students attending student-centered schools, and require public notice of meetings for parents to approve by simple majority the student-centered school plan;
- (2) Establishing an educational assessment and accountability system within the department of education for the purpose of evaluating the achievement of the statewide performance standards adopted by the board of education, and providing an appropriation therefor;
- (3) Authorizing the department of education to initiate capital improvement projects from the department's supplemental "B" list when a project from the priority "A" list is delayed;
- (4) Authorizing the department of accounting and general services to establish temporary project manager positions to assist with the completion of projects funded through the state educational facilities improvement special fund, and allowing the positions to be funded through the special fund;
- (5) Establishing an education statutory revision interim study group to review the concept of allowing the department of education to enter into lease agreements for the acquisition of school facilities, and requiring a report to the legislature prior to the 1996 regular session;
- (6) Establishing a commission on the board of education to design a methodology for the election of the board of education similar to the electoral districts for other statewide offices, and requiring a report to the legislature prior to the 1996 regular session;
- (7) Establishing an interim study group to identify guiding principles for statewide education policy in consideration of recent legislative reform initiatives;
- (8) Requesting the legislative reference bureau to apply a proposed organizational framework reflecting recent legislative reform initiatives for the purpose of recodification of the education statutes, and requiring a report including proposed legislation to the legislature prior to the 1996 regular session;
- (9) Inserting a severability clause; and
- (10) Changing the effective date to upon approval, except for sections 6, 8, and 9 which shall take effect on July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1626, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1626, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

#### **SCRep. 944 Education on H.B. No. 1800**

The purpose of this bill is to waive liability of employers when an unremunerated student intern works with a private business as a part of the student's vocational or career education program.

Your Committee finds that the department of education and private businesses have been working together to provide students with opportunities to apply knowledge and skills acquired in the classroom through vocational student internship programs. Partnerships with businesses allow students to receive real life work experiences and provide hands-on applications to augment the theoretical academic study that they receive in school.

Your Committee further finds that many businesses have been reluctant to enter partnerships that allow students to intern in the workplace due to the risk of liability as a result of a work-related injury. Your Committee believes that businesses should not be exposed to great financial risk when they participate in internship programs, but also believes that students should not have to forego redress for injuries which have occurred through their participation in an unremunerated internship program.

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

- (1) Adding a provision to the definition of "volunteer" to include employers who participate in a vocational or career education internship program; and
- (2) Making technical, nonsubstantive amendments for the purposes of conformance with proper drafting style and to correct drafting errors.

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

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 945 Education on H.B. No. 1819**

The purpose of this bill is to establish a private school licensing and certification commission to certify private schools and private school teachers, and to repeal the department of education's authority over the same functions.

Your Committee finds that authority for the certification of private schools and private school teachers presently rests with the department of education. Your Committee further finds that the department of education is primarily responsible for exercising oversight of the public school system, and therefore it is questionable whether the State should impose its standards for public education upon private schools.

Your Committee believes that the private school system in Hawaii is sufficiently developed to provide self-regulation through an independent board, and it is neither appropriate nor necessary to provide state sanction of nor statutory authorization for a private entity to regulate private schools. Your Committee further acknowledges each individual's right to choose to send their child to a private school, and thus believes that governmental oversight of this choice is not warranted. However, your Committee also believes that all children should be compelled to attend school, whether public or private, and supports retaining this mandate within the state laws governing education policy.

Your Committee, therefore, has amended this bill by:

- (1) Deleting the establishment of the private school licensing and certification commission in the statutes;
- (2) Making conforming amendments to the education title to repeal state responsibility for the certification of private schools or their personnel, and thereby allow for the private schools to be self-regulating;
- (3) Deleting the transition committee and the appropriation made therefor; and
- (4) Changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1819, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 946 Education on H.B. No. 1431**

The purpose of this bill, as received by your Committee, is require the governor to consider the advice of district superintendents in appointing school advisory council members, and to redefine the councilors' duties to be more focussed on their respective districts.

Your Committee finds that the school advisory councils can serve a vital role in facilitating the implementation of school/community-based management. However, based upon the limited testimony received from only three of the councils, your Committee is not prepared at this time to mandate such changes without first consulting with all the councils.

Upon further consideration, your Committee finds that Act 212, Session Laws of Hawaii 1994, offered a one-time early retirement incentive to all state employees which resulted in nearly 1,000 department of education certificated employees filing for early retirement on June 30, 1995. Your Committee further finds that the departure of these certificated employees will leave many public schools without adequate staffing for the 1995-1996 school year.

Thus, your Committee has amended this bill by deleting its contents and substituting therefor provisions to:

- (1) Authorize the department of education to establish limited term part-time salaried positions to rehire retired personnel beginning July 1, 1995, through June 30, 2000, until full-time replacements can be recruited;
- (2) Clarify that such employees shall be classified as forty-nine per cent salaried positions;
- (3) Prohibit rehired employees from rejoining the public employees health fund and the employees' retirement system;
- (4) Allow qualified rehired employees to be included in the appropriate collective bargaining unit;
- (5) Require an annual report to the legislature during each regular session indicating the number of rehired employees, their position class and salary, and attrition rates as full-time employees are hired; and
- (6) Change the effective date to July 1, 1995, to be repealed June 30, 2000.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1431, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1431, H.D. 1, S.D. 1, and be referred to the Committee on Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 947 Higher Education, Culture, and Arts on H.B. No. 295**

The purpose of this bill is to increase the interest rate for loans made under the state higher education loan fund and the expenditure ceiling for loan collection and administrative expenses.

Your Committee finds that the current interest rate charged for these loans is three per cent, which is below the comparable rate of five per cent charged for similar federal loans. Your Committee further finds that raising the current expenditure ceiling from one to two per cent will make additional resources available for the collection of loan payments which then enables future loans to be made to other students.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Fukunaga, Ikeda).

**SCRep. 948 Higher Education, Culture, and Arts on H.B. No. 298**

The purpose of this bill is to authorize chartered student organizations of the University of Hawaii to expend public funds to obtain legal services for those organizations.

Your Committee finds that in some instances, chartered student organizations find that they are in need of legal services. These instances usually occur for student publications and broadcast communications governing boards requiring timely and routine story checks to avoid violating laws governing libel, Federal Communications Commission regulations, obscenity, slander, or hazard to public or private safety and welfare.

Your Committee has amended the bill to limit the expenditure of funds for legal services only to student organizations organized to provide publications and broadcast communications. Furthermore, your Committee has amended the bill to reflect their position that these student organizations should only obtain legal services to prevent legal actions against their organizations, not to initiate legal causes especially against a state agency. Technical and nonsubstantive amendments were also provided.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 298, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Fukunaga, Ikeda).

**SCRep. 949 Higher Education, Culture, and Arts on H.B. No. 837**

The purpose of this bill is to clarify that programs covered by the Community College Conference Center Revolving Fund include noncredit conferences, seminars, courses, and activities conducted by the community services programs of the community colleges.

Your Committee agrees with the intent of this measure and finds that the general community will be benefitted by its passage.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 837, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Fukunaga, Ikeda).

**SCRep. 950 Higher Education, Culture, and Arts on H.B. No. 1257**

The purpose of this bill is to enable the University of Hawaii to retain the income it generates through student tuition and fees, and other income-producing sources that are currently deposited into the state general fund, and to develop a mechanism to augment such self-generated income through appropriations from the general fund.

This bill establishes a special fund that will provide the University flexibility to use some portion of tuition revenues for income producing activities and services and to assist financially needy students with tuition waivers. The largest legislative appropriation for the University of Hawaii within the last five years will determine the funding base to appropriate moneys for the new fund beginning with fiscal year 1995-1996. Furthermore, the bill specifies that full-time tuition for:

- (1) Residents enrolled at the University of Hawaii community colleges shall not exceed twenty per cent of the annual cost of education per full-time student;

- (2) Residents at any of the University of Hawaii campuses shall not exceed thirty per cent of the annual cost of education per full-time student; and
- (3) Non-resident students enrolled at any of the University of Hawaii campuses shall not be less than two times the tuition fee for resident students as set forth in section 304-4(b), Hawaii Revised Statutes.

Upon further consideration, your Committee has amended this bill by deleting its contents and substituting therefor, the following provisions:

- (1) Requiring the board of regents to adopt benchmarks to guide the development of the university and submit annual status reports prior to the convening of each legislative session on the implementation of the benchmarks;
- (2) Beginning with the 1997-1998 fiscal year, requiring the university to reflect the benchmarks in the development of their annual budget;
- (3) Delaying implementation of the special fund effective with the fiscal year 1997-1998;
- (4) Requiring the board of regents to adopt tuition levels not to exceed the national average for public education, and a tuition schedule which, for residents reflects an amount sufficient to cover twenty-five per cent of the university's costs per student, and for nonresidents reflects an amount sufficient to cover one hundred per cent of the university's costs per student;
- (5) Mandating that the board of regents adopt a tuition schedule so that by fiscal year 2000-2001, not less than twenty-five per cent of the operating costs of the university's instructional and research programs and related support services shall be supported by revenues deposited into the special fund;
- (6) Giving full authority to the board of regents to grant tuition waivers and to review and study the specific tuition waivers within the statutes to change, improve, or repeal the waivers; and
- (7) Mandating the university to conduct an annual review of all special, research, and academic programs of each department of the university to determine whether the programs are operating for the purposes originally established and submit its findings as part of the university's annual budget submitted to the legislature.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1257, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1257, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Fukunaga, Ikeda).

#### **SCRep. 951 Higher Education, Culture, and Arts on H.B. No. 1409**

The purpose of this bill is to clarify the legislative intent that the income and capital gains of the State of Hawaii endowment fund are to be used for the production of music as determined by the state foundation on culture and the arts.

In particular, this measure provides that the income and capital gains from the two million dollars contributed to the fund by the State of Hawaii shall be transferred on a quarterly basis to the state foundation on culture and the arts, performing and visual arts events private contribution account to be used for the production of music by an Oahu-based symphony orchestra as determined by the state foundation on culture and the arts.

Under current law, the income and capital gains from the fund shall be used for operations of the Honolulu symphony. Since May 1993, however, the Honolulu symphony has not presented a concert and, in March 1994, its management canceled the season, thereby ceasing the core function of the symphony--the performance of music by its musicians.

Your Committee received testimony from Bank of Hawaii expressing concern that the proposed transfer of income from the State of Hawaii Endowment Fund would jeopardize repayment of their loan, of which \$298,000 remains outstanding. Upon review, your Committee believes that income generated from private contributions to the endowment should be sufficient to repay the loan.

After careful review, your Committee has amended this bill by:

- (1) Providing in Section 2 of the bill that the income and capital gains from the fund shall be transferred on a quarterly basis to the state foundation on culture and the arts, performing and visual arts events private contribution account, to be used solely for the purpose of paying the salaries of musicians belonging to an Oahu-based symphony orchestra as determined by the state foundation on culture and the arts, and by making conforming references in Section 1 of the bill;
- (2) Deleting in Section 2 of the bill, the amendments made to Section 40-88(a)(1) and (2), Hawaii Revised Statutes. Your Committee finds these amendments unnecessary;
- (3) Deleting Sections 3 and 4 of the bill. Your Committee finds that these sections are unnecessary; and
- (4) Making several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1409, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1409, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Fukunaga, Ikeda).

**SCRep. 952 Higher Education, Culture, and Arts on H.B. No. 1716**

The purpose of this bill is to support the University of Hawaii-Hilo Theatre Program (Program) by establishing the University of Hawaii-Hilo Theatre Revolving Fund, into which funds generated by the Program are to be deposited and from which expenditures related to the Program are to be paid.

Your Committee finds that this measure is in the public interest, as it will enable the Program to continue to produce and present an extensive and culturally-diverse, year-round season of local, regional, national, and international performing arts events performed by some of the world's greatest artists.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1716, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Fukunaga, Ikeda).

**SCRep. 953 Higher Education, Culture, and Arts on H.B. No. 2137**

The purpose of this bill is to establish the Waikiki Aquarium and marine research center as an educational and research institution administratively attached to the University of Hawaii. The bill provides the institution administrative and financial flexibility so that the aquarium, when feasible, may transition to incorporation as a nonprofit corporation in the future.

The aquarium's present research agreement with research corporation of the University of Hawaii will expire on June 30, 1995, leaving the aquarium with no system to retain some of its full-time non-state employees.

Upon further consideration, your Committee has amended this bill by deleting its contents and substituting therefor, provisions to:

- (1) Designate the Waikiki Aquarium as the official state aquarium;
- (2) Allow the University of Hawaii to contract with a private, non-profit entity, whose sole purpose is to manage and improve the state aquarium;
- (3) Retain board of regents control over the aquarium site;
- (4) Provide a transition clause to continue current management arrangements with the research corporation of the University of Hawaii and the University of Hawaii foundation until a new management arrangement is approved by the board or regents, or until June 30, 1997, whichever occurs earlier;
- (5) Clarify that there are twenty-five full-time, non-state employees instead of twenty-three;
- (6) Include research as a purpose of the state aquarium along with public programs and education;
- (7) Delete language requiring that the state aquarium special fund receive revenues derived from tuition or charges from public agencies and private persons;
- (8) Authorize the board of regents to charge the public a fee for admission to the aquarium;
- (9) Provide that all permanent general fund positions currently held by state employees presently assigned to the aquarium shall remain as such, subject to chapter 89, Hawaii Revised Statutes; and
- (10) Provide that in the event a management arrangement with a nonprofit corporation is approved by the board of regents, state employees presently assigned to the aquarium shall be under the supervision of that nonprofit corporation.

It is your Committee's intent that language in the new sections regarding a private nonprofit entity contracting with the University of Hawaii to operate and manage the state aquarium specifically refers to the Friends of the Waikiki Aquarium.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2137, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2137, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Fukunaga, Ikeda).

**SCRep. 954 (Joint) Human Services and Health on H.B. No. 337**

The purpose of this bill is to encourage and support the development and expansion of community-based adult day health centers as part of a continuum of long-term care alternatives to institutional care.

Your Committees find that institutional care for the elderly is prohibitively expensive and that community-based long-term care services are a reasonable and viable alternative, particularly with local families who prefer home care to institutional care. The State's elderly population continues to increase, as evidenced by the population census indicating that nearly fifty per cent of the elderly will be seventy-five years of age or older by the year 2000.

The present difficulty is that the Department of Health regulates adult day health centers and the Department of Human Services regulates adult day care centers. Both types of facilities serve the same population, but there is overlap and conflict between the departments in the licensing and the rules. This has resulted in fewer facilities being licensed as would be expected, thereby resulting in fewer facilities being able to operate. Furthermore, of those licensed facilities, adult day care centers do not qualify for Medicaid compensation unless they are also licensed as adult day health centers, even though they often serve many patients who would otherwise qualify for adult day health centers. To make matters worse, the State pays Medicaid compensation to facility-based (connected to a hospital) adult day health centers, but not for freestanding adult day health centers.

This bill establishes a public policy that community-based adult day health centers are a viable alternative to institutional long-term care for elders and that these facilities should be developed and expanded while maintaining high quality care. To this end, this bill requires the Departments of Health and Human Services to adopt, amend, or repeal administrative rules as necessary to effectuate this policy with a view toward achieving a rational, unified framework for admission eligibility, program and licensing requirements, and scope of services for both adult day health and adult day care centers.

Your Committees received supporting testimony from the Departments of Health and Human Services, both indicating their willingness to work toward achieving the stated policy as contained in this bill.

Your Committees have amended this bill by inserting a section to require the Department of Health to review the possibility of using moneys currently funding treatment centers for developmentally disabled for both the developmentally disabled and the elderly, to maximize resources. Your Committees also have amended this bill by deleting from the last sentence in Section 2(b)(2) the word "unreasonably" from the phrase "...unreasonably stringent requirements for licensing..." and by correcting a spelling error.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 337, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 337, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Kanno).

**SCRep. 955 Human Services on H.B. No. 1985**

The purpose of this bill is to clarify general assistance qualifications and procedures, and to provide for lump-sum budgeting for general assistance.

This bill clarifies that the Director of Human Services may determine need, eligibility, and physical impairment in accordance with the Director's determination acting within the guidelines and priorities of the rules of the department. This bill requires the department to adopt rules to establish qualifying guidelines and priorities, a method of determining assistance amounts, and other necessary provisions to implement general assistance. This bill also qualifies procedures for receiving treatment for mental impairment.

Your Committee received strong testimony in opposition to lump-sum budgeting. Your Committee is concerned that lump-sum budgeting would mean that the Department of Human Services would have to serve the same number of individuals, more or less, with less money. Your Committee understands that lump-sum budgeting may be mandated eventually with the possibility of federal block grants. However, to require it right now is premature. Your Committee believes that a more prudent approach is to await the federal mandates and conduct a more thorough analysis at that time of the impact of such budgeting before implementing it.

Your Committee has amended this bill by deleting sections 1, 3, and 4 which relate to lump-sum budgeting and clarified section 346-71, Hawaii Revised Statutes, as to general assistance.

It is the intent of your Committee to limit general assistance to six months for eligible individuals whose primary diagnosis is substance abuse. Further, your Committee has repealed other portions of the statute and allowed guidelines and program operations to be established by rules.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1985, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1985, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 956 Housing on H.B. No. 566**

Your Committee finds that currently, many employees of Waialua Sugar Company and Kau Agribusiness live in homes owned by their respective employers and provided to them at nominal cost. With the anticipated closure of these companies, there is concern that this housing will no longer be available. Your Committee finds that many former employees may be required to find replacement housing at a time when rents are high and there is a severe shortage of affordable housing.

The purpose of this bill is to appropriate funds to assist the former employees of Waialua Sugar Company and Kau Agribusiness in meeting their housing needs by:

- (1) Developing and implementing strategies that will provide or preserve affordable housing for the former employees of the Waialua Sugar Company and Kau Agribusiness;
- (2) Creating an emergency loan program that will provide temporary assistance to families who, as a result of plantation closure, require help to make mortgage payments on their homes; and
- (3) Creating a grant program to address administrative, maintenance, and emergency infrastructure improvement costs to ensure the continued operation of Waialua Sugar Company and Kau Agribusiness housing units.

Honolulu City Councilmember, Rene Mansho, and the International Longshoremen's & Warehousemen's Union (ILWU) Local 142 submitted testimony in support of the bill. The Housing Finance and Development Corporation supported the intent of the bill, but not the appropriations contained within it. The Office of State Planning submitted comments on the bill.

Your Committee supports the intent of this bill and has made the following amendments:

- (1) Provided that the grant program finance the temporary relocation of families displaced by the closure of Waialua Sugar Company and Kau Agribusiness;
- (2) Required the housing finance and development corporation to develop as part of this grant program a special rental subsidy program for the relocation of retirees and former employees who are in transition to other jobs;
- (3) Required the housing finance and development corporation to develop and implement strategies that will provide affordable housing for the former employees rather than preserve their existing substandard accommodations; and
- (4) Appropriated funds for the 1996-1997 fiscal year.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 566, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 566, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 957 Housing on H.B. No. 1988**

The purpose of the bill is to amend sections 358D-3, 358D-8, 358D-9, 358D-10, 358D-14(a), and 358D-17, Hawaii Revised Statutes (HRS), in order to clarify and promote the effective administration of the State's homeless programs under chapter 358D, HRS.

Testimony in support of this bill was submitted by the Hawaii Housing Authority.

Your Committee finds that the enactment of this measure will help to promote the effective administration of the State's homeless programs by:

- (1) Expressly providing that the selection of provider agencies to administer homeless facilities or other programs for the homeless are not subject to the state procurement code;
- (2) Providing that the time limits imposed on provider agencies in their delivery of services starts from the time that the client is qualified as eligible;
- (3) Amending the audit requirements of the Hawaii Housing Authority; and
- (4) Amending the method of paying homeless shelter stipends by linking the stipends to the physical unit rather than the number of persons residing in the unit.

Your Committee has made the following amendments to the bill as received:

- (1) The phrase on page 4, section 5, line 6, of the bill as received "each biennium" is changed to "fiscal biennium" to differentiate from any two consecutive years to add further clarity to the audit period; and
- (2) A technical, nonsubstantive amendment was made for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1988, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1988, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 958 Ecology and Environmental Protection on H.B. No. 745**

The purpose of this bill is to strengthen the State's efforts to prevent and reduce nonpoint source water pollution by appropriating funds for:

- (1) The development of a comprehensive statewide nonpoint pollution control program as required by federal law; and
- (2) The Hawaii nonpoint source water pollution management program.

These appropriations will be matched by the federal government.

The College of Tropical Agriculture and Human Resources University of Hawaii at Manoa, Board of Water Supply, Natural Resources Defense Council, Koolau Agricultural Co., and Hawaii Association of Conservation Districts supported the bill. The Department of Health, Office of State Planning, and the City and County of Honolulu testified in support of the intent of the bill.

The Department of Health and the Office of State Planning, although in support of the intent of the bill, could not support measures that require general funds in addition to those in the Executive Budget request.

Your Committee finds that there would be substantial financial penalties placed on the State due to the loss of federal matching funds for the Coastal Zone Management Program should the program be inadequately funded.

Your Committee has therefore amended this bill by appropriating \$130,000 for the development of a comprehensive statewide nonpoint pollution control program, and \$380,721 to meet matching fund requirements for federal Clean Water Act, Section 319(h) grants.

Your Committee has made other technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 745, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 745, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 959 Ecology and Environmental Protection on H.B. No. 1425**

The purpose of this bill is to promote the recycling and reduction of recoverable materials from the State's waste stream by establishing a State Recycling Coordinator position.

The Department of Health and students from Aiea Elementary School testified in support of this bill.

Your Committee has amended this bill by setting a ceiling for the annual compensation of the state recycling coordinator at \$46,000.

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

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1425, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1425, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 960 Planning, Land and Water Use Management on H.B. No. 1787**

The purpose of this bill is to appropriate funds to continue to support the recovery efforts of Hilo-Hamakua residents of the island of Hawaii to rebuild their community.

Your Committee finds that the Hilo-Hamakua residents have made significant progress in rebuilding their community in the wake of the economic disaster precipitated by the demise of the sugar industry. Residents mobilized into six task forces/work groups to help themselves: employment and training; housing; diversified agriculture; high technology; family, health, and community support; and economic development. These task forces/work groups have had positive results. Your Committee further finds that these efforts are admirable and commendable. To enable the residents to

continue these efforts to help themselves, it is imperative that the funds already committed to the restoration of the Hilo-Hamakua community continue to be available.

Your Committee has amended the bill by removing "microloans" from the appropriation contained in section 7, and reinserting it in the appropriation contained in section 9. Your Committee believes that the awarding of microloans would be more appropriately addressed under the subject matter contained in section 9.

In recommending passage of this bill, your Committee is aware that H.B. 1789, H.D. 3, S.D. 1, Relating to Lower Hamakua Ditch, appropriates funds from the Irrigation System Revolving Fund for the same purpose of operating and maintaining the Lower Hamakua Ditch pursuant to the agreement reached in the case of In re: Hamakua Sugar Company, Inc., Case No. 92-00865 (June 1, 1993).

Your Committee is cognizant that the funding mechanism for the operation and maintenance of the Lower Hamakua Ditch contained in section 7 of this bill utilizes a different revenue source (general funds) to effectuate the same purpose. However, your Committee believes that any determination as to the manner in which this project is to be funded rests within the scope and jurisdiction of the Committee on Ways and Means, and therefore defers decisionmaking on the funding mechanism to the abovementioned committee.

Your Committee would further suggest to the Committee on Ways and Means that it consider any funding arrangements to be coextensive in time with the three-year period of the bankruptcy agreement in the case of In re: Hamakua Sugar Company, Inc., in the U.S. Bankruptcy Court for the District of Hawaii, Case No. 92-00865 (June 1, 1993).

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1787, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1787, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Matsunaga).

#### **SCRep. 961 (Joint) Education and Transportation and Government Affairs on H.B. No. 1127**

The purpose of this bill is to require the department of education to adopt policies, procedures, and programs to provide suitable transportation for public school children participating in the Hawaiian language immersion program when the program is not offered in their home school.

Your Committees find that students who receive district exceptions to attend schools outside their own geographical districts, based on their own needs and preferences, must provide their own transportation to and from school. Your Committees further find that the Hawaiian language immersion program has been established in only a few schools, and thus parents must apply for district exceptions to enroll their children in the program and therefore, must transport their children to and from school. Your Committees believe that the success of the Hawaiian language immersion program depends upon transportation at reasonable cost for children who are district exceptions, until all schools offer this program, and urges the department of education to explore various means for providing student transportation.

As affirmed by the records of votes of the members of your Committees on Education and Transportation and Government Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1127 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fernandes Salling, Kawamoto, Tam, Taniguchi).

#### **SCRep. 962 Judiciary on H.B. No. 2023**

The purpose of this bill, as received by your Committee, is to amend the criminal injuries compensation law with respect to commission procedures and eligibility for compensation.

Specifically, this bill: (1) changes the definition of "relative" to include stepchildren and step-siblings, but exclude half-siblings; (2) allows the commission to delegate to the administrator the authority to sign any order; (3) allows the criminal injuries compensation commission to assign cases to the administrator for determination of eligibility if the applicant fails to make a selection on the method of decision making; and (4) allows relatives of certain deceased victims to file claims for specified expenses.

Your Committee notes that these amendments to the criminal injuries compensation law are primarily housekeeping measures designed to clarify who may file claims for deceased victims, as well as to expedite the processing of claims, by expanding and specifying those eligible persons.

Your Committee further notes that, in the past, the commission was forced to deny claims for certain family members who paid a deceased victim's medical and funeral expenses. After the enactment of Act 219, Session Laws of Hawaii 1993, the commission could assign certain cases to the administrator for determining eligibility. Since the implementation of that Act in October, 1994, the commission determined that the applicant should choose the method of decision making. While most of the applicants elected administrative decisions, approximately five per cent failed to make an election and failed to respond to the commission's request for clarification. This bill addresses this problem by allowing the commission to assign cases to the administrator for determination of eligibility if the applicant fails to make a selection on the method of decision making.

While your Committee agrees with the commission's assignment of cases to the administrator for determinations of eligibility and orders of compensation, your Committee believes that the assignment of cases in these circumstances should be mandatory rather than permissive. Your Committee notes that the commission is composed of three members, each of whom serves a four-year term, whereas the administrator is a permanent civil service position. Requiring, rather than allowing, the commission to assign these cases to the administrator will therefore assure continuity and efficiency in processing these cases. Your Committee has therefore amended the bill by amending section 351-13(c), Hawaii Revised Statutes (HRS), to require, rather than allow, the commission to assign these cases to the administrator.

In addition, to further expedite the process of determining eligibility for compensation, your Committee has amended the bill by amending section 351-13(d), HRS, to require applicants to obtain a determination of eligibility from the administrator first, before appealing to the commission for a hearing. Your Committee believes that victims of crime will in this manner be able to obtain speedier resolution of their claims and if dissatisfied, the applicant can request a de novo hearing from the commission.

Your Committee has further amended this bill by amending sections 351-33 and 351-52, HRS, to limit the payment of compensation for expenses actually and reasonably incurred to those incurred during the period of the victim's injury or death, and to pecuniary losses to an individual directly resulting from damage to his property.

While your Committee is mindful of the suffering of victims of crime and the impact of violence on the victims' families, your Committee is concerned that pain and suffering, like mental anguish, loss of enjoyment of life, loss of consortium, and other nonpecuniary losses are impossible to quantify and therefore, often lead to arbitrary decision-making. Your Committee therefore believes that these amendments are necessary to make compensation awards more definite, calculable and consistent.

Your Committee has further amended this bill to make technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2023, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 963     Agriculture, Labor, and Employment on H.B. No. 112**

The purpose of this bill is to provide greater openness in the proceedings of the State Ethics Commission (Commission). Specifically, the bill:

- (1) Lengthens the Commission's jurisdiction over investigating and taking appropriate action on alleged violations of chapter 84, Hawaii Revised Statutes (HRS), from three years to four years;
- (2) Makes matters brought to hearing before the Commission public;
- (3) Makes complaints affirmed by the Commission against legislators and state officials and the disciplinary actions taken pursuant to these complaints a matter of public record; and
- (4) Makes numerous technical and clarifying amendments to chapter 84, HRS.

Your Committee finds that the bill empowers the Commission to adequately enforce chapter 84, HRS, and provides the public with ready access to the deliberations and records obtained in enforcing the State Ethics Code.

Your Committee also finds that the public should be entitled to review charges and alleged violations of the State Ethics Code upon a finding by the Ethics Commission that probable cause exists. Furthermore, hearings which are closed under present law should be open to the public, as well as the decision rendered after the hearing, the findings, and the record of the proceedings.

Although your Committee believes that complaints filed against legislators, former legislators, other government employees and former employees, and delegates to the constitutional convention should be a matter of public record, as well as any disciplinary action taken, it is concerned over the possibility of frivolous charges being filed for the sole purpose of damaging a person's reputation.

Additionally, during its deliberations, your Committee was not convinced that the timeframe in which the Commission conducts its hearings was in need of reform.

In light of these concerns, your Committee has amended the bill by:

- (1) Adding a section which provides a remedy to victims of frivolous charges;
- (2) Removing the sixty-day timeframe requirement for a hearing by the Commission; and
- (3) Deleting the proposed increase of the statute of limitations to four years.

Your Committee believes that these amendments will assist the Commission in carrying out its mandated purpose while concurrently providing state employees, officials, and legislators with the necessary safeguards to protect themselves in the course of carrying out their public duties.

Your Committee has further amended the bill by adding provisions which:

- (1) Require persons who serve on nonadvisory boards and commissions and whose original term of office exceeds one year to file financial disclosure forms with the Commission; and
- (2) Allow persons who are required to file financial disclosure forms with the Commission to file short form disclosures in even-numbered years, and long form disclosures in odd-numbered years.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 112, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 112, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 964 Agriculture, Labor, and Employment on H.B. No. 792**

The purpose of this bill is to authorize the Board of Regents of the University of Hawaii to establish an optional retirement plan for certain University of Hawaii employees.

The University of Hawaii and the University of Hawaii Professional Assembly testified in support of this bill. The Hawaii Government Employees Association, the Department of Budget and Finance, and the Administrator of the Employees' Retirement System commented on the measure.

Your Committee agrees that an optional retirement plan in concept is desirable for the State of Hawaii since it can enhance the recruitment and retention capability of the University of Hawaii. However, a private retirement plan for this sector of the State's public employees in relation to the rest of the State's employees should be undertaken only after a sufficient review of its fiscal implications and its experience in other states is known.

Therefore, your Committee has amended the bill to request the Legislative Reference Bureau to conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees based on a defined employer contribution rate, and to submit its recommendations to the Legislature no later than twenty days prior to the convening of the 1996 regular session. The study should include, but not be limited to, the following:

- (1) An assessment of the impact on the current employees' retirement system and its members;
- (2) Comparable plans and experiences in other states including employer and employee contributions rates, vesting periods, and eligibility requirements for public employees;
- (3) Identification of public policy issues involved and future costs to the State; and
- (4) Recommendations regarding an appropriate employer contribution for the State under an optional retirement plan, including employee eligibility, vesting, and other features of the plan.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 965 Agriculture, Labor, and Employment on H.B. No. 1512**

The purpose of this bill is to appropriate funds to maintain current minimum levels of sugarcane research and to make available the resources for an experiment station for diversified agricultural research as directed by the Hawaii Agricultural Research Corporation (HARC).

This bill appropriates \$1 for each year of the 1995-1997 fiscal biennium only up to the extent that funds provided by the State for sugarcane research are matched by the HARC.

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

- (1) Changing the appropriation from \$1 to \$2,500,000 for each year of the 1995-1997 fiscal biennium;
- (2) Deleting the requirement that the research be performed under the direction of the HARC;
- (3) Changing the matching fund requirement by prohibiting the release of funds for sugar research unless matched on a dollar for dollar basis and funds for non-sugarcane research unless the beneficiaries of the non-sugarcane research contribute one dollar for every three dollars the State provides;

- (4) Designating the department of agriculture rather than the governor's agriculture coordinating committee to be the expending agency of the sums appropriated for the purposes of this bill; and
- (5) Making stylistic changes in the purpose section.

Your Committee finds that the Hawaiian Sugar Planters' Association's experiment station provides much needed research that is of benefit to all. Without funding, the experiment station will be required to cut back on its research. Furthermore, by passing this bill, your Committee intends for the Hawaiian Sugar Planters' Association to cooperate with other agricultural agencies in the area of diversified agricultural research and that duplicative spending for research should be kept to an absolute minimum.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1512, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1512, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 966     Agriculture, Labor, and Employment on H.B. No. 1844**

The purpose of this bill is to increase the effectiveness of class "C" loans under section 155-13(d), Hawaii Revised Statutes, by authorizing the Department of Agriculture to defer payment of interest on loans for crops requiring eighteen months or more to mature.

Your Committee finds that under existing law, only the payment of principal on these loans may be deferred. The unfortunate consequence of this deferment restriction is that interest accounts for a large portion of initial loan payments and deferment of the principal portion is of minimal benefit to loan recipients.

This is an administration measure submitted by the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1844, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 967     Hawaiian Affairs on H.B. No. 1763**

The purpose of this bill is to establish a Hawaiian fishpond permitting program in the Department of Land and Natural Resources (DLNR) to consolidate and streamline the permitting process for the reconstruction, restoration, repair, and use of Hawaiian fishponds.

Testimonies were received from the DLNR, the Department of Health (DOH), the Office of State Planning, the Office of Hawaiian Affairs, Hawaiian Fishpond Revitalization, the Oceanic Institute, University of Hawaii's Environment Center, the Association of Hawaiian Civic Clubs and several fishpond operators.

Your Committee finds that unnecessary restraints were placed on the permitting process that would, in effect, be contrary to the bill's purpose to consolidate and streamline the present seventeen-step Hawaiian fishpond permit process. The bill has been amended as follows:

- (1) In § -1, the definitions of "community based organization" and "community-based development" were deleted as unnecessary, and definitions for "board", "chairperson", and "NPDES" were added;
- (2) Subsection (d) of § -2 was deleted to resolve a problem with redundant language concerning maintaining authorization for the National Pollutant Discharge Elimination System program provided in § -3(b);
- (3) Subsection (e) of § -2 relating to the board consulting with the Directors of Health and the Office of State Planning before issuing a Hawaiian fishpond permit was deleted as a result of the amendment to § -11;
- (4) Language in § -3(a) requiring prior written concurrence with the Directors of Health and the Office of State Planning for the department to adopt rules for the issuance of Hawaiian fishpond permits was deleted as a result of the amendment to § -11;
- (5) In § -5 the phrase "found guilty of violating" was replaced with "who violates" to provide greater clarity;
- (6) In § -6 the phrase "The notice shall specify the alleged violator or violators" was deleted as unnecessary;
- (7) In § -8 language regarding the director of health determinations was deleted to reflect the amendment in § -11;
- (8) In § -9 language prohibiting a Hawaiian fishpond that "is adjacent to a sandy beach" was omitted to be consistent with the definition of "Hawaiian fishponds" in § -1 and give discretionary power to DLNR. (The definition of "Hawaiian fishponds" includes loko pu'uone, fishponds enclosed by sand); and

- (9) In § -11 language was added that authorizes the chairperson and the board to enter into agreements with other agencies in order to maintain program authorization for the National Pollutant Discharge Elimination System Program (NPDES) under the federal Clean Water Act. Additional language provides that if the United States Environmental Protection Agency does not authorize the DOH to transfer authority for the NPDES program to the board of land and natural resources, then the DOH shall resume administration and enforcement of the program; and
- (10) Technical, nonsubstantive amendments were made throughout.

Your Committee supports a permitting process that consolidates the permits administered by other agencies into a single permit issued by the DLNR's Hawaiian Aquaculture Development Program. Under this arrangement, the Chairperson and the Board of Land and Natural Resources are authorized to enter into agreements with other agencies in order to implement the policies and requirements of this chapter.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Graulty, Levin).

#### **SCRep. 968     Judiciary on H.B. No. 111**

The purpose of the bill, as received by your Committee, is to allow for clearer enforcement of the law regulating lobbyists.

Specifically, this bill:

- (1) Removes language allowing the state ethics commission to enforce the lobbyist law from chapter 84, Hawaii Revised Statutes (the ethics law) and places it in chapter 97, Hawaii Revised Statutes (relating to lobbyists);
- (2) Redefines the term "lobbyist" as one who lobbies on five or more occasions rather than one who lobbies more than five hours in any month and clarifies the term "lobbying" as an attempt to influence a ballot issue as well as legislative or administrative action;
- (3) Requires an additional third statement of lobbying expenditures to be filed with the ethics commission on May 31 to cover the period from March 1 through April 30, resulting in three reporting periods of differing duration: January through February covered by the March 31 report; March through April 30 covered by the May 31 report; and May through December covered by the January 31 report;
- (4) Raises the \$275 registration and reporting thresholds in sections 5 and 6 of the bill to \$750;
- (5) Authorizes the ethics commission to investigate on its own initiative rather than waiting to receive a verified complaint, but on a confidential basis;
- (6) Clarifies the ethics commission's powers and duties to administer the lobbyists law; and
- (7) Authorizes the ethics commission to assess an administrative fine of \$100.

Your Committee received testimony in support of the bill from the state ethics commission and the attorney general.

After careful consideration, your Committee has amended the bill to permit the ethics commission to assess an administrative fine of up to \$1,000 after a contested case hearing, rather than three times the amount of any money the commission finds the person has spent or received without complying with the chapter, as originally introduced.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 111, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 969     Judiciary on H.B. No. 929**

The purpose of the bill, as received by your Committee, is to transfer the Hawaii state commission on the status of women to the office of the lieutenant governor.

Your Committee believes that the commission serves a unique and meaningful function by providing independent, community-based advocacy for women and girls within the State. Your Committee finds that the commission can function more efficiently within the office of the lieutenant governor than in the department of human services.

Your Committee also recognizes that the commission plays an extremely important role in the development of balanced social policy because, with membership comprised of agency directors and neighbor island representatives, the commission reflects an appropriate range of specific concerns and issues of diverse perspectives.

Your Committee further finds that the commission is needed as a statewide clearinghouse of information on women's issues; a lead agency in legislative and public policy advocacy at the state level; and a coordinator of activities and communication between public and private sector groups and programs.

Your Committee amended the bill to include language specifying the commission as an "agency for a special purpose", thereby satisfying the requirements of Article V, Section 6 of the state constitution. Your Committee additionally amended the bill to decrease the number of members to thirteen by removing the ex officio position held by the director of the governor's office of children and youth. Six members shall participate ex officio and seven shall be appointed by the governor, four of whom shall be from Oahu. The bill was also amended by specifying that the primary staff person shall be an executive director, not an executive secretary, thereby conforming the position title to the salary scale already provided.

Finally, the bill was amended to appropriate funds to the office of the lieutenant governor for the commission's budget. Your Committee believes that this amendment clarifies the intent of the governor's message dated February 6, 1995. The bill was amended to provide for two positions at \$37,320 each per year, and an operating cost reduction from \$55,000 to \$37,148.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 929, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 970      Judiciary on H.B. No. 1833**

The purpose of the bill is to increase the fee for filing a name change petition from \$10 to \$20.

Testimony in support of the bill was received from the office of the lieutenant governor. The Committee recognizes that the filing fee has not been increased since 1985. Meanwhile, the demand for name change applications has increased nearly 60 per cent due in part to the federal immigration act of 1990, whereby name changes are no longer granted as part of the naturalization process.

Your Committee finds that staff and processing costs have increased during the last ten years. Furthermore, your Committee believes that the proposed increase is justified and unlikely to be an undue burden to the applicant.

Your Committee notes that the filing fee is but one expense in the process to legally effect a name change. Publication of the proposed name change in a newspaper of general circulation costs from \$30 to \$50. Attorneys' fees will cost anywhere from \$150 to \$300. Thus, with the filing fee the total costs could reach anywhere from \$200 to \$370.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

#### **SCRep. 971      Transportation and Government Affairs on H.B. No. 1491**

The purpose of this bill is to ensure that evidence is safely obtained to aid in the conviction of persons suspected of driving under the influence of intoxicating substances by:

- (1) Requiring a medical facility to provide at the request of the police, a blood sample of a person suspected of being intoxicated except in cases where the medical personnel responsible for taking the sample determines in good faith that recovering or attempting to recover the blood sample represents an imminent threat to the health of the medical personnel or others; and
- (2) Exempting from liability any person who complies with a request to withdraw blood under the direction of a police officer.

The Governor's Highway Safety Council's Impaired Driving Task Force, the Department of the Prosecuting Attorney, the Honolulu Police Department, Mothers Against Drunk Driving and members of the public testified in support of this measure. The Office of the Public Defender testified in opposition.

Your Committee finds that in many instances requests from police for blood samples of parties involved in collisions resulting in injury or death are denied by the treating physicians or the medical facility.

This measure allows for the recovery of blood samples by hospital personnel yet provides protection to hospital personnel by giving them the ability to make a determination in good faith as to whether the recovery or attempted recovery of the blood sample would represent a threat to their health.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1491, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 972      Transportation and Government Affairs on H.B. No. 1962**

The purpose of this bill is to allow the department of defense to receive, expend, use, manage, and invest private gifts of money, services, or property that may be provided for any purpose authorized under the Hawaii national guard youth challenge program (a program for "at risk" youths).

Your Committee finds that the department of defense has received a \$4,000,000 federal grant from the National Guard Bureau to operate the Hawaii national guard youth challenge program. This is a federally established program designed to encourage youths "at risk" to work toward the full development of themselves; to experience success in school, work, and home; and to become productive members of society. Your Committee further finds that it is envisioned that the receipt and use of private gifts would help the department to achieve the stated purpose of the youth challenge program.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1962, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1962, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 973      Transportation and Government Affairs on H.B. No. 2324**

The purpose of this bill is to raise the amount when a report is required following an accident which results in property damage. Present law provides that a report must be filed when apparent property damage exceeds \$1,000. Failure to make the report subjects the person to a fine of \$1,000 and imprisonment of not more than one year. Further, the accident is considered a major accident.

This is a companion bill to Senate Bill No. 1563 which was supported by the City and County of Honolulu and by the state public defender on the basis that the increased cost of auto repairs renders the current limit of \$1,000 too low. Testimony in opposition was submitted by State Farm Insurance Companies and the Hawaii Insurers Council who claimed a need for police reports to determine liability. They indicated that in the absence of such reports they would have to bear the costs of investigation which would ultimately be shifted to the consumer. Regardless, information provided indicates that the average damages from collision to the insured was \$1,700 and that to both cars, in a two car collision, averaged \$1,900. The general deductible as required by most banks is between \$250 to \$500.

Your Committee has amended the bill to provide that police reports will be required where the accident has resulted in death or injury to any person, where apparent damage exceeds \$2,000, or where a report may be useful in determining fault.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2324, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2324, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 974      Tourism and Recreation on H.B. No. 614**

The purpose of this bill is to require the department of land and natural resources to establish recreational pole fishing areas for use primarily for pole fishing.

Your Committee finds that recreational pole fishing should be promoted as a pleasurable and environmentally safe activity for the public. Your Committee further finds that there should be no significant negative impact on near shore commercial fishing.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 614, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Iwase, Liu).

**SCRep. 975 Tourism and Recreation on H.B. No. 821**

The purpose of this bill, as received by your Committee, is to transfer the international tourism consulting center and clearinghouse from the office of international relations to the department of business, economic development, and tourism.

Your Committee finds that the international tourism consulting center and clearinghouse, by helping to connect international businesses with Hawaii-based consultants, uses Hawaii's tourism expertise to enhance the business/commerce segments of the economy.

Your Committee further finds that during the 1993 special session and 1994 regular session, the legislature determined that in order to advance our visitor industry, a world-class convention center must be developed. Thus, the legislature authorized the solicitation of proposals and the authorization of bond issues for the financing of the convention center. Your Committee also believes that concomitant with the convention center development, the legislature needs to consider several other tourism-related projects which are of immediate concern and should be addressed during this legislative session.

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

- (1) Inserting an amendment to chapter 206X, Hawaii Revised Statutes, to establish a temporary convention center neighborhood advisory committee;
- (2) Inserting amendments to Act 7, Special Session Laws of Hawaii 1993, to extend the lapsing provision for the funds appropriated for the convention center development;
- (3) Inserting an appropriation for the dredging of the Ala Wai canal, installation of a flushing system, and preparation of an environmental impact statement for the Ala Wai canal improvement project; and
- (4) Changing the effective date to upon approval except for section 7 which shall take effect on July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 821, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Liu).

**SCRep. 976 Agriculture, Labor, and Employment on H.B. No. 1148**

The purpose of this bill, as received by your Committee, is to transfer the functions of the governor's agriculture coordinating committee to the department of agriculture.

Your Committee finds that the agriculture industry remains an important sector of our economy and recent efforts within the industry have been focused on the propagation and introduction of new products into the market. Your Committee further finds that it is important to maintain state support for research and development within the diversified agriculture industry.

However, your Committee must also acknowledge the fiscal constraints under which the State is presently operating, and must evaluate certain government functions in order to allocate resources more efficiently and effectively. Upon further consideration, your Committee has amended this bill by deleting its contents and substituting therefor the contents from S.B. No. 1665 which provides a more concise and effective framework for the transfer of functions.

Your Committee has also included a provision authorizing the department of agriculture to review all contracts, grants, and other forms of monetary awards heretofore administered by the committee; but precluding the department from reallocating funds earmarked for research and development for any other purpose.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1148, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1148, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 977 Agriculture, Labor, and Employment on H.B. No. 1586**

The purpose of this bill is to subject collective bargaining impasses between a public employer and Bargaining Units (2), (3), (4), (6), (8), (9), (10), and (13), to the compulsory arbitration process similar to the process currently applicable only to the bargaining units representing firefighters and police officers.

Your Committee finds that under this bill, if a bargaining dispute between a public employer and any of the above listed bargaining units exists for over ninety days after written notification by either party to initiate negotiations, either party may give written notice to the Hawaii Labor Relations Board (Board) that an impasse exists. Upon notification of an impasse, the Board shall assist in the resolution of the impasse by appointing a mediator within three days of the notification. If the impasse still exists after fifteen days of notification of the Board, the dispute shall then be subject to

arbitration proceedings over which a single arbitrator presides. The arbitrator is required to consider ten statutorily specified factors in reaching a decision.

Your Committee has amended the bill to restore the bill's original intent with regard to only allowing Bargaining Unit 10 (Institutional, Health, and Correctional Workers), to rely on binding arbitration as a means to settle disputes and to allow the single arbitrator to enter into a stipulated award and decision.

Your Committee finds that a significant number of employees in Unit 10 fall within the "essential worker" category and are prohibited from striking under existing laws. Like police officers and firefighters, "interest" arbitration provides a fair and reasonable alternative to resolving labor disputes over new contractual terms for employees who effectively have no right to strike.

The bill as amended provides for a single arbitrator selected under the existing terms of the Unit 10 agreement or from a list of proposed arbitrators by the Board where the former does not exist. This change is intended to streamline the process and reduce costs.

In its deliberations, your Committee has considered whether final offer arbitration should be required and finds that final offer arbitration works best where disputes pertain to cost items. Cost items are those matters involving wage increases for which separate legislative appropriation is provided for in section 89-10(a), Hawaii Revised Statutes. Your Committee has further amended the bill to reflect this finding.

Your Committee has also reviewed prior interest arbitration awards and the applicable case law which has developed from interest arbitration decisions in the private and public sectors. Rather than fixed criteria for decision making, your Committee believes the relevant factors which should be considered in any dispute depends on the contested issues. The arbitrator should apply standards which are material and relevant to the disputed issues in accordance with the established standards. See Elkouri & Elkouri, How Arbitration Works, (4th Ed.) Chapter 18 "Standards in Arbitration of Interest Disputes". Your Committee also believes that judicial review of arbitration awards should be in accordance with chapter 658, Hawaii Revised Statutes, and has accordingly inserted language to reflect this belief.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1586, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1586, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 978 (Majority) Ecology and Environmental Protection on H.B. No. 380**

The purpose of this bill is to increase the State's dedication and financial support of critical environmental prevention and compliance programs. It accomplishes this by:

- (1) Amending section 128D-2, Hawaii Revised Statutes (HRS), Environmental Response Revolving Fund by:
  - (A) Deleting the ceiling for tax collection;
  - (B) Expanding the uses for the fund to include clean water, waste water, non-point source pollution, and hazardous waste programs;
  - (C) Allowing moneys to be transferred to the general fund for federal programs which require state matching funds; and
  - (D) Requiring the Department of Health (DOH) to submit an annual report pertaining to moneys collected and deposited into the fund, and how the money is expended.
- (2) Amending section 243-3.5, HRS, Environmental response tax; uses, by:
  - (A) Increasing the tax from 5 cents to 15 cents per barrel; and
  - (B) Deleting the requirement that an unspecified percentage of the tax be used to fund the drinking water program.
- (3) Appropriating moneys out of the Environmental Response Revolving Fund for three professional and technical personnel for the Environmental Management and the Environmental Health Administrator Programs, which appropriation is in addition to the general fund appropriation for HTH 840 and 849.

Your Committee finds that state environmental protection programs have traditionally been underfunded. Many of the programs have had to depend on special fund moneys, rather than general fund moneys, which often hinders DOH's ability to receive federal matching funds. Another side effect is that federal mandates, such as the Clean Water Act, give states the option of retaining local jurisdiction of programs such as the National Pollutant Discharge Elimination System (NPDES), or waiving jurisdiction to the United States Environmental Protection Agency (EPA).

The Clean Water Branch of DOH issues and enforces NPDES permits for discharges into waters of the State. The focus of the program is primarily for sewage outfalls and discharges from industrial facilities. A major benefit of maintaining jurisdiction in this program is the waiver of secondary treatment at the Sand Island and Honouliuli wastewater treatment

plants. If the State had to upgrade these facilities to secondary treatment levels, the capital costs would be approximately \$375 million.

The latest federal mandate affecting the Clean Water Branch requires municipalities with a population over 100,000 and all industrial facilities to submit permit applications for the discharge of stormwater. Construction activities which disturb more than five acres also are required to apply for stormwater discharge permits.

The EPA did not provide additional funding to implement the stormwater program. Approximately 500 permits are under the jurisdiction of the Clean Water Branch for monitoring and compliance. There is a backlog in processing permits for the NPDES program, affecting approximately \$1 billion worth of construction projects. In addition, the EPA will be issuing new regulations for Phase II of the stormwater program to cover those facilities not covered in Phase I.

Testimony for the bill was generally very supportive of the efforts to provide more funding for environmental protection programs.

Your Committee has amended this bill by:

- (1) Clarifying the imposition of service fees for environmental compliance programs, and providing that the fee moneys collected are to be deposited into the Water Quality Management Special Fund established in the bill;
- (2) Appropriating \$84,000 from the state general fund for fiscal year 1995-1996, to be expended by the Hazardous Evaluation and Emergency Response Office of DOH;
- (3) Deleting the additional proposed uses for the Emergency Response Fund, with the exception of the Clean Water Program; and
- (4) Decreasing the proposed tax rate increase for the Environmental Response Tax from 15 cents per barrel to 10 cents per barrel.

It is the intention of your Committee to further discuss the funding of state environmental protection programs. Your Committee does not intend to place an undue tax burden on industry or the general public. It hopes that the uses for the Emergency Response Fund can be expanded to include funding for the Clean Water Program, or that the Clean Water Program can be funded through the imposition of service fees.

Your Committee strongly encourages continued discourse and communication between EPA and DOH with the goal of fostering a closer relationship between the federal and state government which will result in more efficient environmental protection.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 380, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 380, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, 1 (Chumbley). Excused, 1 (Ikeda).

#### **SCRep. 979 Ecology and Environmental Protection on H.B. No. 401**

The purpose of this bill is to establish an environmental protection agency to be placed within the Department of Health (DOH) for administrative purposes. The agency would administer the programs of environmental protection and health services currently contained within the DOH, to include the coastal zone management (CZM) program, the environmental council, and the office of environmental control.

Your Committee finds that there is a definite need for the creation of a centralized environmental protection program. Presently, environmental protection programs reside in a myriad of state departments and agencies which have overlapping jurisdiction over the State's environmental resources. A centralized environmental protection agency would reduce the jurisdictional morass inherent to current environmental protection efforts. In addition, a centralized agency would increase public environmental education and promote effective pollution prevention and control approaches.

Testimony received on this measure was very supportive, although several testifiers recommended against placing the CZM program within the new agency.

Your Committee finds that environmental protection programs have traditionally been given a low priority by DOH, both philosophically and financially. By merely consolidating environmental protection efforts into an agency attached to DOH, environmental protection efforts may still be given a lower prioritization than other departmental programs. The message is clear: the environment is not important enough to be given its own department.

Your Committee has amended this bill by creating a separate Department of Environmental Protection (DEP), with the intent of furthering discussion in this very critical area. The enforcement powers of this new department will be given additional authority by assigning additional assistant attorneys general. The proposed transfer of the CZM program to DEP has been deleted.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 401, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 401, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 980 Ecology and Environmental Protection on H.B. No. 1977**

The purposes of this bill are to:

- (1) Conform the state water pollution control law to federal requirements;
- (2) Authorize the Director of Health to regulate the by-products of wastewater such as reclaimed water, sewage sludge, and other removed substances;
- (3) Clarify that monetary penalties may be imposed through administrative proceedings and civil lawsuits;
- (4) Establish that non-criminal penalties for obstructing inspections may be imposed administratively;
- (5) Expand the list of factors considered in imposing administrative penalties to conform with the 1994 Environmental Summit bills on air and water pollution administrative penalties; and
- (6) Clarify that administrative penalties may be imposed for both past and ongoing violations.

Your Committee received strong testimony in support of this bill from the department of health and finds that this bill may improve consistency between federal and state environmental protection laws, and clarify the department's authority to seek penalties for violations.

Your Committee has made various amendments to this bill. In sections on civil penalties, the phrase "in court" has been added to clarify that the enforcement action is a court proceeding rather than an administrative proceeding. Amendments have also been made which authorize the director to control and permit the use of reclaimed wastewater and the uses and disposal of wastewater and substances removed from it.

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

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1977, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1977, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 981 Transportation and Government Affairs on H.B. No. 50**

The purpose of this bill is to ensure that all public buildings, facilities, and improvements are accessible to and usable by persons with disabilities, and conform to the Americans with Disabilities Act Accessibility Guidelines, and the accessibility guidelines adopted by the department of health's architectural access committee.

Specifically, this bill:

- (1) Requires all plans and specifications for the building, altering, repairing, improving, and renovation of public improvements that are subject to the law relating to the expenditure of public money and public contracts and the Hawaii public procurement code, to be prepared so the improvements conform to the Americans with Disabilities Act Accessibility Guidelines, and the accessibility guidelines adopted by the department of health's architectural access committee;
- (2) Repeals the law requiring the comptroller and the director of finance to provide an annual report of the number and types of buildings or facilities donated or being donated to the State and counties, and the costs, if any, of bringing those buildings or facilities into compliance with the foregoing guidelines;
- (3) Requires applicable agencies to provide written assurance that:
  - (A) A public building, facility, or improvement has been constructed and inspected in a manner provided for in the plans and specifications approved by the commission; and
  - (B) Any value engineering, field changes, change orders, or construction alterations/deviations are in compliance with established design guidelines;

prior to final payment for and acceptance of the public building, facility, or improvement and for waiver of the foregoing requirement;
- (4) Requires the commission on persons with disabilities to provide technical review and approval on construction plans and specifications prior to the commencement of construction; and
- (5) Requires the director of health, in consultation with the architectural access committee, to adopt rules under chapter 91, HRS, as necessary for the purposes of section 103-50.5, HRS.

Your Committee has amended this bill by:

- (1) Restoring language in Section 1 ensuring that plans and specifications are prepared so the improvements are accessible to and usable by persons with disabilities;
- (2) Deleting the provision allowing for waiver of the requirements that all buildings and change orders are constructed in compliance with specifications approved by the commission prior to final payment for and acceptance of the new building; and
- (3) Making other clarifying amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 50, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 982 Transportation and Government Affairs on H.B. No. 123**

The purpose of this bill is to support the establishment of bikeways by requiring:

- (1) The expenditure of reasonable amounts for the establishment of bikeways; and
- (2) The use of up to one per cent of the total amount of the funds received from the highway fund for bikeways.

Testimony in support of the bill was submitted by the Department of Transportation, the Hawaii Green Party, Folks for Spokes, and members of the public.

Your Committee amended this bill by:

- (1) Setting the one per cent of the highway fund to be used for bikeways as a minimum; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 123, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 123, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 983 Transportation and Government Affairs on H.B. No. 2051**

The purpose of this bill is to conform Hawaii's commercial driver's licensing law with federal standards, and to ensure that the State does not lose a significant amount of federal highways funds. In particular the bill, among other things:

- (1) Provides that a person who is not physically qualified to drive under 49 Code of Federal Regulations may be granted an intrastate waiver as provided by the Code;
- (2) Eliminates the limitation on the renewal of commercial drivers instruction permits;
- (3) Eliminates the expiration of license on the second birthday of the licensee following the issuance of the license if the licensee is 21 to 24 years of age;
- (4) Amends the disqualification provision for licensees convicted of certain enumerated violations; and
- (5) Amends provisions relating to the suspension, revocation, or cancellation of licenses and permits.

This is a companion bill to S.B. No. 1599 which was an administration measure submitted by the Department of Transportation. Testimony by the Hawaii Transportation Association (HTA) submitted with respect to S.B. No. 1599 indicated concern that a driver not be found to be in violation if, acting pursuant to the order of legitimate authority, the driver moved a vehicle when an out-of-service order exists with respect to the vehicle or the driver.

Your Committee has amended the bill to address the concern raised by the HTA and to make minor technical amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2051, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2051, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 984    Agriculture, Labor, and Employment on H.B. No. 354**

The purpose of this bill is to change the period of employment to qualify for temporary disability from four completed calendar quarters to the fifty-two weeks immediately preceding the first day of disability.

Under this measure, an individual will be credited for all qualifying employment during the current and previous year whenever employment extends over two calendar years. This bill will apply to disabilities occurring after December 31, 1995 to give the Department of Labor and Industrial Relations time to revise existing claim forms and to notify affected insurers and self-insured employers.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 354, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 985    Agriculture, Labor, and Employment on H.B. No. 1686**

The purpose of this bill is to extend health insurance coverage under the Hawaii Public Employees Health Fund to dependent-beneficiaries of public employees who are unmarried children under the age of twenty-three and who are attending an educational institution on a full-time basis.

Your Committee has amended the bill to require the Legislative Reference Bureau to conduct a study on the feasibility of establishing a separate health plan for retired public employees.

Although your Committee believes that the original intent of the bill has merit, your Committee also recognizes the serious fiscal situation in which the State is currently mired. By requiring the feasibility study, the State may then ascertain whether there may be a practical solution to not only stem the rising cost of providing health benefits to retired public employees, but also to reallocate moneys to other worthwhile programs.

Your Committee finds that according to the Segal Report, public employers currently pay one hundred percent of the premiums for the medical, drug, vision, and adult dental plans for all employees who retire with ten or more years of credited service. Additionally, public employers pay fifty percent of such coverage for retired employees having less than ten years credited service and their dependent-beneficiaries. The entire premium cost for life insurance and children's dental coverage for all employees and retirees is also paid by the public employers. Retirees may also receive reimbursement for cost of Medicare part B; that program alone costs approximately \$9 million annually.

The Segal report went on to state that this "contribution structure for [Hawaii's] retired employees and their dependents is generous in comparison to most other states." The report noted that "only four [other] states pay the full cost of medical coverage for retirees and their dependents."

The cost of providing health fund benefits for retirees has steadily increased--from \$20,204,043 in fiscal year 1984 to \$77,108,985 in fiscal year 1993. This generous benefit has further resulted in a substantial if not overwhelming, unfunded liability. In 1988, that unfunded liability was estimated at \$953 million. The 1988 study stated that "the unfunded actuarial liability for post-retirement health benefits will continue to grow rapidly unless the State of Hawaii takes actions that reduce the projected expenditures by State and county public employers for retiree health benefits..."

To date, that has not been done. Rather, health care benefits have been expanded to include drug, vision, and adult dental programs, further exacerbating the escalating costs and this liability. The amended bill will take initial steps toward ascertaining cost savings in this area.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1686, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 986    Agriculture, Labor, and Employment on H.B. No. 1687**

The purpose of this bill is to allow the Board of Trustees of the Hawaii Public Employees Health Fund (Health Fund) to negotiate and use other competitive procedures to select an insurance carrier or third-party administrator for any benefit plan offered by the Health Fund.

The bill, by exempting the Health Fund from Chapter 103D, Hawaii Revised Statutes (Hawaii Public Procurement Code), enables the Health Fund to negotiate or solicit bids, as it deems appropriate, for benefit plan coverages.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1687, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 987     Agriculture, Labor, and Employment on H.B. No. 1785**

The purpose of this bill is to appropriate funds for several programs intended to implement the recommendations and proposals of the Waialua Sugar human and social services task force's employment and education committee.

Your Committee finds that these programs will further the recovery of the Waialua district in the wake of the closing of the Waialua Sugar Company.

Your Committee has amended the bill by deleting the specified sums totalling \$6 and inserting unspecified amounts for each entry in deference to the Committee on Ways and Means to determine the appropriate amounts and specifying the expending agencies for each item.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1785, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1785, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 988     Agriculture, Labor, and Employment on H.B. No. 1996**

The purpose of this bill is to ensure that the Occupational Safety and Health Training and Assistance Fund (Fund) is providing the necessary education to help reduce accident rates by:

- (1) Clarifying the amount of moneys deposited into the Fund each fiscal year;
- (2) Increasing the amount of moneys deposited into the Fund each fiscal year from \$200,000 to not more than \$500,000; and
- (3) Extending the sunset date of the Fund from July 1, 1996, to July 1, 1999.

Your Committee, after careful consideration, has amended this measure by:

- (1) Providing that there shall be deposited into the fund: (A) in each fiscal year, up to \$500,000 in fines, interest, and penalties collected pursuant to section 396-10, Hawaii Revised Statutes, (B) interest earned on moneys in the fund, and (C) moneys received for the fund from any source. Your Committee believes that this amendment will allow the department to maximize the efficient use of available moneys each year of the biennium;
- (2) Providing for an additional appropriation of \$500,000, or so much thereof as may be necessary for fiscal year 1996-1997. Your Committee believes that this amendment clarifies that the \$500,000 appropriation is to continue for the second year of the biennium; and
- (3) Making several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1996, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1996, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 989     Agriculture, Labor, and Employment on H.B. No. 1997**

The purpose of this bill is to create a mechanism for enforcing the Family Leave Law.

Your Committee has amended this bill by including employee remedies with the notice of right to sue. The section outlines how an employee may enforce the provisions of this chapter, and types of relief which may be sought.

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

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1997, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1997, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 990     Agriculture, Labor, and Employment on H.B. No. 1998**

The purpose of this bill is to require that all state construction contracts over \$15,000 include a signed certification from the bidder or offerer that a written safety and health plan for the job will be available and implemented by the notice-to-proceed date of the project.

Your Committee has amended the bill by raising the proposed \$15,000 threshold to \$25,000 to conform with the bidding threshold contained in chapter 103D, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 991 Agriculture, Labor, and Employment on H.B. No. 2089**

The purpose of this bill is to require that any rate credit, reimbursement, earning, or interest derived from the Hawaii Public Employees Health Fund from a carrier or self-insurance plan established to provide health benefits to retirees or other beneficiaries whose coverage is financed in whole or in part by the State or a county to be used to reimburse the state or respective county general fund if the moneys are returned from a plan covering retirees or other beneficiaries.

Your Committee has amended the bill by:

- (1) Clarifying that the State and counties shall be reimbursed on a pro rate basis;
- (2) Clarifying that the refunded moneys that are to be credited back to the state and county general funds are the refunds obtained from health plans established for retirees and surviving spouses of deceased retirees, or employees killed in the performance of their duty;
- (3) Requiring the Auditor to study:
  - (A) The feasibility of using the refunded moneys to self insure the State's health plan;
  - (B) The composition of the Public Employees Health Fund's Board of Trustees to determine if affected parties are adequately represented; and
  - (C) The feasibility of establishing a separate health plan for retirees;
- (4) Making an appropriation for the Auditor's study; and
- (5) Requiring that the provisions of the bill be repealed on July 1, 1996.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2089, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2089, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 992 Agriculture, Labor, and Employment on H.B. No. 2239**

The purpose of this bill is to prevent vacated positions in community hospital and correctional facilities, in programs that are funded entirely with federal moneys, and certain administrative positions, from being frozen or eliminated in accordance with the early retirement incentive law.

Your Committee finds that Act 212, Session Laws of Hawaii 1994:

- (1) Allows thirty per cent of the positions vacated in each department to be refilled by the head of the department to ensure the continued ability of the department to carry out its public purpose;
- (2) Requires thirty per cent of the positions vacated in each department to be held vacant for fiscal year 1995-1996 and assigned to a statewide personnel pool until June 30, 1996; and
- (3) Requires forty per cent of the positions vacated in each department to be eliminated.

Your Committee also finds that:

- (1) The refilling of vacated positions in community hospitals and correctional facilities is in the public interest and for the public health, safety, and general welfare of the State;
- (2) The freezing or elimination of vacated positions in programs that are funded entirely with federal moneys serves no useful public purpose since the savings generated by these positions do not accrue to the general fund; and
- (3) The refilling of vacated positions occupied by department heads, executive officers, deputies or assistants to department heads, and the administrative director of the State is necessary to ensure the continued ability of state government to carry out its public purpose.

Your Committee has amended the bill by exempting the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs from the restrictions of Act 212 and by making a technical amendment for the purpose of conforming with recommended drafting style.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2239, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 993 Judiciary on H.B. No. 149**

The purpose of the bill is to direct the department of public safety to implement all elements of a model system for managing security staff in correctional institutions.

Your Committee believes that the model system of security management established in the bill will improve the management of the correctional security system. The elements of the model will assist the department in validating data relevant to the calculation of the corrections officer shift relief factor used by the department.

Your Committee received testimony in favor of the bill from the department of public safety.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 149 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 994 Judiciary on H.B. No. 357**

The purpose of the bill is to permit the release of specified information from probation files to law enforcement agencies for use in criminal investigations.

Your Committee finds that information in probation files can be essential to law enforcement officers in locating suspects under investigation. The sharing of probation officers' records, containing probationers' current resident and employment information, is currently only permitted for the service of bench warrants and summons. However, your Committee believes that the sharing of information for the purpose of locating suspects is also important, as it would increase the thoroughness and efficiency of investigating officers.

Testimony was received in favor of the bill from the prosecuting attorney and the Honolulu police department.

Your Committee amended the bill by making technical non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of the H.B. 357, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 357 H. D. 1, S. D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 995 Judiciary on H.B. No. 1221**

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions. All amendments are of a purely technical nature and contain no substantive changes to the law.

The reasons for the respective technical amendments made in the bill are as follows:

**Section 1.** L 1994, c 204, §3 amended section 134-2, HRS, relating to permits to acquire firearms, but inadvertently inverted the word order in a portion of subsection (a). The original language of Act 204 stated in part: "No person shall acquire the ownership of a firearm, ... until the person has first procured from the chief of police of the county of the person's place of business or, if there is neither place of business, nor residence or, if there is no place of business, the person's residence, the person's place of sojourn, ..." (emphasis added). The revisor of statutes editorially corrected this manifest clerical or typographical error pursuant to section 23G-15(7), HRS, by rearranging the word order and adding brackets around the corrected language, to read as follows: "... [the person's place of business or, if there is no place of business, the person's residence or, if there is neither place of business nor residence, the person's place of sojourn.]..." The revisor's insertion of the corrected language is ratified by deleting the brackets in subsection (a).

**Section 2.** L 1994, c 264, §§5 and 9, repealed chapter 153, HRS (agricultural products program), and required the chairperson of the board of agriculture to transfer all unexpended or unencumbered balances remaining in the Hawaii agricultural products revolving fund, established in section 153-3, HRS, to the credit of the state general fund prior to

June 30, 1994. Section 155-14(a), HRS, which created the agricultural loan revolving fund, contains a reference to the agricultural products revolving fund and repealed chapter 153. Section 155-14(a) is amended by deleting the obsolete references to the agricultural products revolving fund and chapter 153, and by making appropriate grammatical changes.

**Section 3.** L 1994, c 270, §3 repealed section 183-41, Hawaii Revised Statutes (HRS), relating to conservation districts, and enacted a new chapter, relating to the conservation district, which is codified as chapter 183C, HRS. Although Act 270 updated one cross-reference to repealed section 183-41 in section 205-5(a), HRS (see L 1994, c 270, §2), that Act failed to update the remaining cross-references in the HRS. This bill updates all of the remaining superseded cross-references to that repealed section in the HRS, except references contained in sections 26-16(d) and 205-2(a)(4), HRS, which require rewording that is beyond both the revisor of statute's scope of statutory revision authority under chapter 23G, HRS, as well as what may reasonably be included in a bill of this nature. Section 171-58.5(2), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C.

**Section 4.** Section 183-42, HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 5.** Section 183-44(a), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 6.** Section 183-45, HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41(e) (enforcement) and replacing it with the correct reference to section 183C-7 (penalty for violation); and (2) by replacing references to "provision" and "subsection" with the more appropriate reference to "chapter". See comment to section 3 of this bill.

**Section 7.** Section 188-68(a), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 8.** Section 190D-11(b), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 9.** Section 195F-2, HRS, is amended by deleting the obsolete cross-reference to section 183-41 in the definition of "potential natural area reserve" and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 10.** Section 205-5.2(b), HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C; and (2) making technical and grammatical corrections. See comment to section 3 of this bill.

**Section 11.** Section 205-15, HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C; (2) replacing the incorrect reference to "regulations" to "rules"; and (3) making other technical, nonsubstantive changes. See comment to section 3 of this bill.

**Section 12.** Section 205A-41, HRS, is amended by deleting the obsolete cross-reference to section 183-41 in the definition of "board approval" and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 13.** Section 205A-43.6(c), HRS, is amended by: (1) deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C; and (2) changing the gender-specific term "manmade" to the gender-neutral term "artificial" pursuant to section 23G-15(8), HRS. See comment to section 3 of this bill.

**Section 14.** Section 219-4(a), HRS, which created the aquaculture loan revolving fund, contains a reference to the agricultural products revolving fund and chapter 153. As explained in the comment to section 155-14, HRS (section 2 of this bill), the agricultural products revolving fund, established in section 153-3, HRS, was repealed by L 1994, c 264, and all unexpended or unencumbered balances remaining in that fund were transferred to the credit of the state general fund prior to June 30, 1994. Section 219-4(a) is amended by deleting the obsolete references to the agricultural products revolving fund and chapter 153, and by making appropriate grammatical changes.

**Section 15.** Section 220-1(a), HRS, is amended by deleting the obsolete cross-reference to section 183-41 and replacing it with the correct reference to chapter 183C. See comment to section 3 of this bill.

**Section 16.** Section 237-24.7, HRS, relating to certain general excise tax law exemptions, was amended in 1993 by two acts--L 1993, c 129, §2, exempting certain Hurricane Iniki losses retroactive to May 1, 1993, and L 1993, c 315, §2, exempting taxes on hospital and nursing facility income--both of which added a new paragraph (5) to section 237-24.7.

Section 237-24.7 was further amended in 1994 by L 1994, c 230, §1; however, that 1994 amendment amended only the version of section 237-24.7 as amended by L 1993, c 315, and therefore did not make reference to the amendment made by L 1993, c 129.

The revisor of statutes subsequently incorporated the amendment to section 237-24.7 made by L 1993, c 129, by adding the paragraph exempting Hurricane Iniki losses, renumbered as paragraph (6).

Section 237-24.7 is amended by underscoring both paragraphs (5) and (6), indicating the addition of new language pursuant to the Ramseyer format, for the following reasons: (1) to ratify the actions taken by the revisor; (2) to demonstrate the clear intent of the legislature in adding both 1993 amendments to that section; and (3) to eliminate any questions or ambiguity that may arise as to the effectiveness of any of the amendments to that section.

As reflected in the effective date section of this bill: (1) the amendment to section 237-24.7(5) is to take effect retroactive to July 1, 1993, or the effective date of reimbursement changes referred to in section 346E-14, whichever is later, pursuant to L 1993, c 315, §8, as amended by L 1994, c 230; and (2) the amendment to section 237-24.7(6) is to take effect retroactive to May 1, 1993, and is to be applied retroactively to September 11, 1992, pursuant to L 1993, c 129, §4.

**Section 17.** L 1994, c 192, §2, enacted a new section to chapter 323, codified as section 323-74, HRS, establishing collections revolving funds for Maui Memorial Hospital, Hilo Hospital, and Kona Hospital. However, the names of the Hilo and Kona Hospitals had been changed to "Hilo Medical Center" and "Kona Community Hospital" by L 1994, c 11. Section 323-74, HRS, is therefore amended to reflect these name changes.

**Section 18.** Section 421H-6(a), HRS (relating to arbitration of disputes with respect to limited-equity housing cooperatives), refers to the "Horizontal Property Regime Rules on Arbitration of Disputes of the American Arbitration Association". While the term "horizontal property regime" was changed to "condominium property regime" by L 1988, c 65, that reference in section 421H-6(a) was retained since the American Arbitration Association rules continued to refer to "horizontal property regime". Those rules, however, as amended by the American Arbitration Association and in effect on April 10, 1994, now refer to "condominium property regime". Section 421H-6(a), HRS, is therefore amended by substituting the new reference to "condominium" for the old reference to "horizontal".

**Section 19.** Section 514A-121(a), HRS (relating to arbitration of disputes with respect to condominium property regimes), refers to the "Horizontal Property Regime Rules on Arbitration of Disputes of the American Arbitration Association". As discussed in the comment to section 18, those rules, as amended by the American Arbitration Association and in effect on April 10, 1994, now refer to "condominium property regime". Section 514A-121(a), HRS, is therefore amended by substituting the new reference to "condominium" for the old reference to "horizontal".

**Section 20.** L 1993, c 238, §1, relating to tort reform, amended L Sp 1986, c 2, §31 (the effective date section), which in turn had been amended by L 1989, c 300, §2 and L 1991, c 62, §1. However, the prefatory language in L 1993, c 238, §1 amended L Sp 1986, c 2 without specifying that only section 31 of that Act was being amended. The unintended result is that L Sp 1986, c 2 is amended by deleting all of the sections of that Act except section 31. The prefatory language of L 1993, c 238, §1 is therefore amended by specifying that only section 31 of L Sp 1986, c 2 is to be amended.

**Section 21.** Sections 37-34, 37-35, 37-36, 37-37, and 37-74, HRS, relating to the budget, were repealed on June 30, 1994, and were reenacted in the form in which they read on June 30, 1986 by L 1986, c 320, §8, as amended by L 1987, c 283, §8, and L 1989, c 370, §8.

L 1994, c 281, §4 purported to delete that repeal and reenactment, but that deletion came too late--L 1994, c 281 became effective on July 6, 1994, but sections 37-34, 37-35, 37-36, 37-37, and 37-74 had already been repealed and reenacted by operation of law on June 30, 1994. See L 1994, c 281, §§4, 12.

L 1994, c 281 also made amendments to the most recent versions of sections 37-34, 37-35, 37-36, 37-37, and 37-74, that incorporated all of the intervening amendments to those sections, which also became effective on July 6, 1994. See L 1994, c 281, §§5, 6, 7, 8, 9, and 12.

Because the legislature clearly intended that L 1994, c 281, §4 delete the repeal and reenactment language affecting sections 37-34, 37-35, 37-36, 37-37, and 37-74, HRS, but the deletion of that language was not made in a timely manner, L 1994, c 281, §12 is amended to make that deletion retroactive to June 29, 1994, the day before the original repeal date of 37-34, 37-35, 37-36, 37-37, and 37-74, HRS.

The revisor of statutes set out these affected HRS sections in the 1994 HRS Supplement as if the deletion of the repeal and reenactment language was timely. This amendment to L 1994, c 281, §12 ratifies the actions taken by the revisor. As reflected in the effective date section of this bill, this amendment is to take effect retroactively to June 29, 1994.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

#### SCRep. 996 Judiciary on H.B. No. 1863

The purpose of the bill is to give the lieutenant governor or the county clerk the authority to cancel public agency meetings when the public notice requirements are not met.

Hawaii's sunshine law was enacted to open our governmental processes to citizens and to increase citizen participation in the formulation of public policy. This bill provides an enforcement mechanism directed at further achieving the sunshine law's objectives.

Testimony in support of the measure was submitted by the attorney general.

Currently, there are two mechanisms which allow a meeting to be challenged on the basis of inadequate notice. First, a person may bring a civil action in the circuit courts to void any final action taken by a board found to be in wilful violation of the law, and to enjoin any further violations of the law. Second, persons wilfully violating the law may be prosecuted for misdemeanors and summarily removed from a board upon conviction. This bill proposes a third,

prescriptive approach to ensuring that the objectives of the sunshine law's are achieved by providing for the cancellation of meetings not noticed six calendar days prior to the meeting.

Your Committee recognizes that procedurally, the bill will require the lieutenant governor and the respective county clerks to enforce the public notice requirements of the sunshine law on behalf of the state and county boards. The procedure requires the lieutenant governor and the county clerks to notify the chairperson of the board or the director of the department of a notice's tardy filing, and require the chairperson or director to post a notice canceling the meeting at the meeting site.

Your Committee finds that this measure is both cost-effective and user-friendly as it will avoid unnecessary expense and inconvenience for those attending a meeting which will have to be re-scheduled in keeping with the statutory public notice requirements. Your Committee further finds that the bill improves the existing guidelines on public meeting notice requirements should ultimately result in fewer civil suits seeking to enjoin a public meeting and invalidate decision making.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1863 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 997 (Joint) Health and Human Services on H.B. No. 895**

The purpose of this bill is to authorize the Department of Health to regulate assisted living facilities to ensure that these facilities will be operated at an acceptable level of quality.

Your Committees find that this measure will promote the health and general welfare of the people of this State, and will be especially beneficial in bringing another quality health care option to the State's elderly population.

Your Committees have amended this bill by making several technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 895, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Aki, Kanno).

**SCRep. 998 Transportation and Government Affairs on H.B. No. 1173**

The purpose of this bill is to extend certain traffic code provisions to private roads.

Your Committee finds that private roads which are frequently used by the general public are not presently regulated by the traffic code and thus are often sites of accidents or complaints regarding reckless driving. Your Committee further finds that it is within the public interest to promote the general safety and well-being of persons using these roads by encouraging adherence to the traffic code.

Upon further consideration, your Committee has amended this bill by deleting its contents and substituting therefor the following amendments:

- (1) Clarifying in section 46-16, Hawaii Revised Statutes, that counties may impose traffic ordinances upon but shall not be responsible for control over any private street;
- (2) Modifying the definitions in section 291C, Hawaii Revised Statutes, of "highway" and "official traffic-control devices" to provide for inclusion of private roads; and
- (3) Clarifying in sections 291C-36 and 291C-111, Hawaii Revised Statutes, the permissible placement of signs certain private roads and highways.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1173, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1173, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 999 Transportation and Government Affairs on H.B. No. 2352**

The purpose of this bill is to exempt public utilities maintenance and service vehicles from the sixty foot length limitation.

This is a companion bill to S.B. No. 1552 which was supported by testimony received from the Department of Wastewater Management (Department) of the City and County of Honolulu.

The Department stated that there are several vehicle types required for the maintenance and service of public utilities, including septage pumping, sludge hauling, and facilities maintenance, that exceed the sixty-foot limit. Replacing these vehicles would be a difficult and expensive undertaking, and create a hardship for public utilities that are limited by current financial constraints. Since these vehicles are being operated on behalf of the community for the benefit of public health and safety, their continued operation seems appropriate.

Similar exemptions have been granted to agricultural vehicles and articulated buses.

Your Committee has made technical, nonsubstantive amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2352, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 1000      Tourism and Recreation on H.B. No. 252**

The purpose of this bill, as received by your Committee, is to require the department of land and natural resources to designate one slip in each small boat harbor for a Coast Guard auxiliary vessel that engages in search and rescue.

Your Committee finds that there is a limited amount of slips available in small boat harbors and a long waiting list to obtain a slip. However, public safety concerns in some areas of the State warrant the need for the department to be authorized to designate a slip for a Coast Guard auxiliary vessel. Your Committee further finds that in order to address related public safety concerns at Lahaina small boat harbor, certain considerations should be given to ongoing regular operators of inter-island ferry service between Maui and Molokai.

Thus, upon further consideration, your Committee has amended this bill by inserting a provision in section 200-9, Hawaii Revised Statutes, to afford preferential consideration for ferry landings to vessels engaging in inter-island ferry service between the islands of Maui and Molokai.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

#### **SCRep. 1001      Health on S.R. No. 8**

The purpose of this Resolution is to request the Department of Health and the Judiciary to convene a task force that will perform a study of the management and treatment of persons found not responsible for their behavior due to physical or mental disease, disorder, or defect in the State of Hawaii.

Specifically, the study will provide:

- (1) A review of chapter 704, Hawaii Revised Statutes (penal responsibility and fitness to proceed);
- (2) A description of Hawaii's acquittees at the time of acquittal, and the manner in which these acquittees are managed and treated in the State;
- (3) A review of models from other states;
- (4) A recommendation of a model which balances protection of society with the civil liberty interests of acquittees;
- (5) A cost comparison between the current system of managing and treating acquittees and the recommended model; and
- (6) Enabling legislation necessary to carry out the task force's recommendations.

In 1982, the Hawaii Crime Commission report recommended the establishment of guidelines for monitoring conditionally released defendants acquitted on the basis that these persons were not criminally responsible for their behavior. In these cases, the court is provided with a range of possible dispositions from mandatory hospitalization to release of the defendant in the community with various levels of supervision. At present, the courts have an apparent difficulty in implementing workable community releases to strike a balance between public protection and individual liberty. Furthermore, the probation officers and the mental health professionals' responsibilities for monitoring and treating these acquittees are not clearly set. The Committee to Conduct a Comprehensive Review of the Hawaii Penal Code, established pursuant to Act 284, Session Laws of Hawaii 1993, recommended the establishment of a task force to address these issues and others relating to monitoring and managing these acquittees found "not guilty by reason of insanity."

Your Committee has made technical and nonsubstantive changes to this Resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 8, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.R. No. 8, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1002      Communications and Public Utilities on S.R. No. 38**

The purpose of this Resolution is to request the United States Congress to revise the Internal Revenue Code, as amended (IRC), to allow for the issuance of exempt facility bonds for the financing of telecommunications facilities that serve the general public.

Your Committee finds that the issuance of exempt facility bonds for the financing of public telecommunications facilities would enable telecommunication utilities serving the general public to borrow money at a lower rate, thereby benefitting not only the public telecommunications utilities, but also the general public and the ratepayers.

Your Committee further finds that the inclusion of public telecommunications facilities serving more than one county as exempted facilities in the IRC would extend to public telecommunications utilities the same opportunities relating to special purpose revenue bonds that are now extended to electric and gas utilities under current Hawaii law.

Your Committee has amended this Resolution by adding a paragraph clarifying that public telecommunications utilities in Hawaii are those telecommunications providers which have obtained from the Public Utilities Commission a certificate of public convenience and necessity.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38, 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. 38, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Kanno).

**SCRep. 1003      Communications and Public Utilities on S.C.R. No. 45**

The purpose of this Concurrent Resolution is to request the United States Congress to revise the Internal Revenue Code, as amended (IRC), to allow for the issuance of exempt facility bonds for the financing of telecommunications facilities that serve the general public.

Your Committee finds that the issuance of exempt facility bonds for the financing of public telecommunications facilities would enable telecommunication utilities serving the general public to borrow money at a lower rate, thereby benefitting not only the public telecommunications utilities, but also the general public and the ratepayers.

Your Committee further finds that the inclusion of public telecommunications facilities serving more than one county as exempted facilities in the IRC would extend to public telecommunications utilities the same opportunities relating to special purpose revenue bonds that are now extended to electric and gas utilities under current Hawaii law.

Your Committee has amended this Concurrent Resolution by adding a paragraph clarifying that public telecommunications utilities in Hawaii are those telecommunications providers which have obtained from the Public Utilities Commission a certificate of public convenience and necessity.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45, 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. 45, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, Kanno).

**SCRep. 1004      Communications and Public Utilities on S.R. No. 91**

The purpose of this Resolution is to urge Hawaii's telecommunications utilities, such as GTE Hawaiian Tel, AT&T, Long Distance/U.S.A. Sprint, and MCI, to adopt "Hawaii jobs for Hawaii's people" policies.

Your Committee finds that there has been an emerging trend of companies transferring or removing job functions traditionally held within the State to functions and employees outside of the State. Your Committee believes that this trend not only erodes the economic base of Hawaii's communities, but it eventually leads to the dislocation and uprooting of many families who are forced to move out of the State to find employment.

Your Committee further finds that as this disturbing trend begins to threaten the lifeblood of Hawaii's vitally important telecommunications industry, the future of Hawaii's people is at stake.

Your Committee therefore agrees with the intent of this measure and believes that passage is in the public interest.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 91 and recommends that it be referred to the Committee on Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Kanno).

**SCRep. 1005      Communications and Public Utilities on S.C.R. No. 105**

The purpose of this Concurrent Resolution is to urge Hawaii's telecommunications utilities, such as GTE Hawaiian Tel, AT&T, Long Distance/U.S.A. Sprint, and MCI, to adopt "Hawaii jobs for Hawaii's people" policies.

Your Committee finds that there has been an emerging trend of companies transferring or removing job functions traditionally held within the State to functions and employees outside of the State. Your Committee believes that this trend not only erodes the economic base of Hawaii's communities, but it eventually leads to the dislocation and uprooting of many families who are forced to move out of the State to find employment.

Your Committee further finds that as this disturbing trend begins to threaten the lifeblood of Hawaii's vitally important telecommunications industry, the future of Hawaii's people is at stake.

Your Committee therefore agrees with the intent of this measure and believes that passage is in the public interest.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105 and recommends that it be referred to the Committee on Agriculture, Labor, and Employment.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Kanno).

**SCRep. 1006      Human Services on S.R. No. 121**

The purpose of this Resolution is to request the Office of Children and Youth to develop a strategic plan of action and a timetable for implementation to effectuate the systematic review and restructuring of its operations.

Your Committee finds that the current state fiscal climate calls for careful analysis and priority setting regarding issues related to children and youth, with the aim of increasing the efficiency of current programs, including looking at possible duplication of services, without negatively impacting the status of children.

According to supporting testimony of Dr. Sheila Forman, Director of the Office of Children and Youth of the Office of the Governor, her office concurs that the State has come to a critical juncture sparked by fiscal realities, federal and local initiatives, and a desire to take a hard look at effectiveness in government. She expressed that her office welcomes the opportunity to engage in both internal assessment and to work with the other major child-serving agencies toward a strategic plan of action.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 121 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 1007      Human Services on S.C.R. No. 138**

The purpose of this Concurrent Resolution is to request the Office of Children and Youth to develop a strategic plan of action and a timetable for implementation to effectuate the systematic review and restructuring of its operations.

Your Committee finds that the current state fiscal climate calls for careful analysis and priority setting regarding issues related to children and youth, with the aim of increasing the efficiency of current programs, including looking at possible duplication of services, without negatively impacting the status of children.

According to supporting testimony of Dr. Sheila Forman, Director of the Office of Children and Youth of the Office of the Governor, her office concurs that the State has come to a critical juncture sparked by fiscal realities, federal and local initiatives, and a desire to take a hard look at effectiveness in government. She expressed that her office welcomes the opportunity to engage in both internal assessment and to work with the other major child-serving agencies toward a strategic plan of action.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 138 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 1008      (Joint) Human Services and Health on S.R. No. 141**

The purpose of this Resolution is to request an interim session collaborative undertaking among various state departments and community social service agencies to establish a pro-family preventive service system.

Your Committees find that the status of children and families in Hawaii has steadily declined over the past two decades, as evidenced by poverty, teen pregnancies, child abuse and neglect, alcohol and drug use, juvenile crime, and youths who are not in school and not working. These conditions necessitate major paradigm shifts in public policy to meet the needs of family and children, in view of the severity of the problem coupled with limited funding and services. The emphasis should be on prevention and establishing innovative programs which are family-centered and concentrate on early school education and health, among other specified goals.

This concept of convening a collaborative process among a broad spectrum of government and private agencies is based on the federal "Together We Can" initiative, a successful collaborative model.

Your Committees have amended this Resolution by designating the Department of Health as the lead agency and by including the Hawaii Nurses' Association.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.R. No. 141, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 141, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

#### **SCRep. 1009 (Joint) Human Services and Health on S.C.R. No. 161**

The purpose of this Concurrent Resolution is to request an interim session collaborative undertaking among various state departments and community social service agencies to establish a pro-family preventive service system.

Your Committees find that the status of children and families in Hawaii has steadily declined over the past two decades, as evidenced by poverty, teen pregnancies, child abuse and neglect, alcohol and drug use, juvenile crime, and youths who are not in school and not working. These conditions necessitate major paradigm shifts in public policy to meet the needs of family and children, in view of the severity of the problem coupled with limited funding and services. The emphasis should be on prevention and establishing innovative programs which are family-centered and concentrate on early school education and health, among other specified goals.

This concept of convening a collaborative process among a broad spectrum of government and private agencies is based on the federal "Together We Can" initiative, a successful collaborative model.

Your Committees have amended this Concurrent Resolution by designating the Department of Health as the lead agency and by including the Hawaii Nurses' Association.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.C.R. No. 161, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 161, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

#### **SCRep. 1010 Planning, Land and Water Use Management on S.R. No. 21**

The purpose of this Resolution is to urge the United States Congress to support House Bill, H.R. 602, the Omnibus Territories Act, as it pertains to granting Hawaii jurisdiction over seven territorial islands and atolls.

Presently pending in the Congress of the United States is a bill to give Hawaii the option to exercise concurrent jurisdiction with the United States over seven islands and atolls in the Pacific region: Baker Island, Jarvis Island, Johnston Atoll, Kingman Reef, Howland Island, Midway Islands, and Palmyra Atoll. Hawaii, through its Governor, may accept or refuse jurisdiction with no time limit placed on the decision.

Your Committee believes that this legislation should be passed by the United States Congress because it serves the greater good of Hawaii in a number of respects, including political, economic, social, historical, strategic interests, and oceanic resources, particularly in view that Hawaii's future has always been linked with the surrounding seas and its freedom to make wise use of them.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21 and recommends that it be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Matsunaga).

#### **SCRep. 1011 Planning, Land and Water Use Management on S.C.R. No. 25**

The purpose of this Concurrent Resolution is to urge the United States Congress to support House Bill, H.R. 602, the Omnibus Territories Act, as it pertains to granting Hawaii jurisdiction over seven territorial islands and atolls.

Presently pending in the Congress of the United States is a bill to give Hawaii the option to exercise concurrent jurisdiction with the United States over seven islands and atolls in the Pacific region: Baker Island, Jarvis Island,

Johnston Atoll, Kingman Reef, Howland Island, Midway Islands, and Palmyra Atoll. Hawaii, through its Governor, may accept or refuse jurisdiction with no time limit placed on the decision.

Your Committee believes that this legislation should be passed by the United States Congress because it serves the greater good of Hawaii in a number of respects, including political, economic, social, historical, strategic interests, and oceanic resources, particularly in view that Hawaii's future has always been linked with the surrounding seas and its freedom to make wise use of them.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25 and recommends that it be referred to the Committee on Transportation and Government Affairs.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Matsunaga).

**SCRep. 1012 Planning, Land and Water Use Management on S.R. No. 151**

The purpose of this Resolution is to request the City and County of Honolulu to proceed expeditiously with efforts to clear its present baseyard operations from the Kakaako Peninsula and Kokea Street areas.

The City and County of Honolulu currently operates a baseyard facility on Kokea Street in Kakaako. That land is needed for the expansion of the adjacent University of Hawaii, Honolulu Community College campus. In 1979, the State reached a land exchange agreement with the City and County of Honolulu whereby the City agreed to relocate the baseyard to land in Sand Island. The relocation has yet to occur, while the State has been proceeding with developing a master plan for the Honolulu Community College.

Your Committee finds that the City and County of Honolulu has not undertaken any significant action to relocate the baseyard, other than appropriating \$3.6 million in fiscal year 1994-1995 for mass grading of the Sand Island property. Your Committee further finds that the City and County of Honolulu is in the process of reducing its budget and that the baseyard has fallen victim to that, thereby prolonging the project indefinitely.

This Resolution asks the Governor to:

- (1) To require the City and County of Honolulu to fulfill its commitment to proceed with dispatch in the development of new baseyard facilities at Sand Island by appropriating the necessary funds;
- (2) Revoke all existing Executive Orders for Kakaako Peninsula and Kokea Street Properties, if the City fails to restore the necessary funding, and in connection with that, to:
  - (A) Initiate eviction proceedings against the City for the Kokea Street property; and
  - (B) Revoke Executive Order No. 3556 which transferred the Sand Island properties to the City.

If eviction takes place, this Resolution provides for demolition and clearance at City expense of all improvements and clearance of the affected properties.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 151 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Matsunaga).

**SCRep. 1013 Planning, Land and Water Use Management on S.C.R. No. 172**

The purpose of this Concurrent Resolution is to request the City and County of Honolulu to proceed expeditiously with efforts to clear its present baseyard operations from the Kakaako Peninsula and Kokea Street areas.

The City and County of Honolulu currently operates a baseyard facility on Kokea Street in Kakaako. That land is needed for the expansion of the adjacent University of Hawaii, Honolulu Community College campus. In 1979, the State reached a land exchange agreement with the City and County of Honolulu whereby the City agreed to relocate the baseyard to land in Sand Island. The relocation has yet to occur, while the State has been proceeding with developing a master plan for the Honolulu Community College.

Your Committee finds that the City and County of Honolulu has not undertaken any significant action to relocate the baseyard, other than appropriating \$3.6 million in fiscal year 1994-1995 for mass grading of the Sand Island property. Your Committee further finds that the City and County of Honolulu is in the process of reducing its budget and that the baseyard has fallen victim to that, thereby prolonging the project indefinitely.

This Concurrent Resolution asks the Governor to:

- (1) To require the City and County of Honolulu to fulfill its commitment to proceed with dispatch in the development of new baseyard facilities at Sand Island by appropriating the necessary funds;
- (2) Revoke all existing Executive Orders for Kakaako Peninsula and Kokea Street Properties, if the City fails to restore the necessary funding, and in connection with that, to:

- (A) Initiate eviction proceedings against the City for the Kokea Street property; and
- (B) Revoke Executive Order No. 3556 which transferred the Sand Island properties to the City.

If eviction takes place, this Concurrent Resolution provides for demolition and clearance at City expense of all improvements and clearance of the affected properties.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Matsunaga).

**SCRep. 1014 Planning, Land and Water Use Management on S.C.R. No. 155**

The purpose of this Concurrent Resolution is to request the State Auditor to examine the management and operations of the Commission on Water Resource Management.

A Review Commission of the State Water Code was established by the Legislature in Act 45, Section 5, Session Laws of Hawaii 1987, for the purpose of performing a comprehensive review of the Code and developing recommendations for its improvement. The Review Commission was required to commence its review work five years after the passage of the Code in 1987 and to complete its work within two years thereafter. The Review Commission culminated its work in a report to the Legislature, which was dated December 28, 1994.

The Review Commission found, among other things, that the Commission on Water Resource Management, which administers the State Water Code, may be lacking in funding, staffing, and appropriate procedures.

This Concurrent Resolution requests the Auditor to examine the management and operations of the Commission on Water Resource Management.

Your Committee has amended this Concurrent Resolution to ensure that the focus of the Auditor is on the management and operations of the Commission on Water Resource Management. Your Committee has also replaced "state auditor" with "auditor" throughout the Concurrent Resolution to reflect the correct name of the agency and has made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155, 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. 155, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Matsunaga).

**SCRep. 1015 (Joint) Health and Human Services on S.R. No. 190**

The purpose of this Resolution is to request the Hawaii Island United Way to take the lead in bringing together representatives of relevant business and civic organizations, community groups, planning councils, purchase of service providers, and state agencies for the purpose of discussion and making a recommendation to the Legislature regarding the concept of regional action councils in the County of Hawaii.

Your Committees find that there is currently an urgent need to conduct comprehensive assessments of community health and human services resources and needs in the County of Hawaii in order, among other things, to assist state agencies and legislative committees in reviewing requests for health and human services-related purchase of service agreements.

Your Committees further find that the best way to conduct such assessments may be to establish, with the assistance of the Hawaii Island United Way, one or more regional action councils specifically for that purpose and to serve as community liaison to the Legislature, state agencies, and purchase of service providers.

Your Committees have amended this Resolution by changing the title to more accurately reflect the requested role of the Hawaii Island United Way as facilitator of a series of discussions on the efficacy of establishing one or more regional action councils for the County of Hawaii.

Your Committees have also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 190, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 190, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1016 (Joint) Health and Human Services on S.C.R. No. 217**

The purpose of this Concurrent Resolution is to request the Hawaii Island United Way to take the lead in bringing together representatives of relevant business and civic organizations, community groups, planning councils, purchase of service providers, and state agencies for the purpose of discussion and making a recommendation to the Legislature regarding the concept of regional action councils in the County of Hawaii.

Your Committees find that there is currently an urgent need to conduct comprehensive assessments of community health and human services resources and needs in the County of Hawaii in order, among other things, to assist state agencies and legislative committees in reviewing requests for health and human services-related purchase of service agreements.

Your Committees further find that the best way to conduct such assessments may be to establish, with the assistance of the Hawaii Island United Way, one or more regional action councils specifically for that purpose and to serve as community liaison to the Legislature, state agencies, and purchase of service providers.

Your Committees have amended this Concurrent Resolution by changing the title to more accurately reflect the requested role of the Hawaii Island United Way as facilitator of a series of discussions on the efficacy of establishing one or more regional action councils for the County of Hawaii.

Your Committees have also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur 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 the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1017      Executive and Judicial Appointments on Gov. Msg. No. 127**

Recommending that the Senate advise and consent to the nomination of EUGENE S. IMAI as Comptroller, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 1018      Executive and Judicial Appointments on Gov. Msg. No. 131**

Recommending that the Senate advise and consent to the nomination of SEIJI F. NAYA, Ph.D., as Director of Business, Economic Development, and Tourism, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 1019      Executive and Judicial Appointments on Gov. Msg. No. 136**

Recommending that the Senate advise and consent to the nomination of JAMES H. TAKUSHI as Director of Human Resources Development, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 1020      Executive and Judicial Appointments on Gov. Msg. No. 137**

Recommending that the Senate advise and consent to the nomination of SUSAN MEYERS CHANDLER, Ph.D., as Director of Human Services, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 1021      Executive and Judicial Appointments on Gov. Msg. No. 142**

Recommending that the Senate advise and consent to the nomination of KAZU HAYASHIDA as Director of Transportation, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 1022      Executive and Judicial Appointments on Gov. Msg. No. 144**

Recommending that the Senate advise and consent to the nomination of LLOYD I. UNEBASAMI as Chief Procurement Officer, term to expire June 30, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 1023      (Joint) Health and Human Services on S.R. No. 165**

The purpose of this Resolution is to request the State Health Planning and Development Agency, with the advice and support of its Big Island Committee on Mental Health and Substance Abuse, to continue research regarding the pervasive health and human service problems on the Big Island and to make recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session for improving services.

Your Committees note with serious concern that the County of Hawaii continues to report health and social problems at a consistently higher rate than the other counties of the State.

Your Committees further note that the State Health Planning and Development Agency, through the work of its Big Island Committee on Mental Health and Substance Abuse, submitted a report addressing health and human services problems on the Big Island to the Legislature in response to Senate Concurrent Resolution No. 99, passed by the Seventeenth Legislature during the Regular Session of 1994. However, due to the limited time available to the Committee, that report makes only general recommendations for addressing health and human services needs on the Big Island.

Your Committees, therefore, find that this measure is in the public interest, as it will allow for additional time to conduct more thorough research on these important and pressing health and human services matters.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 165 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

#### **SCRep. 1024 (Joint) Health and Human Services on S.C.R. No. 186**

The purpose of this Concurrent Resolution is to request the State Health Planning and Development Agency, with the advice and support of its Big Island Committee on Mental Health and Substance Abuse, to continue research regarding the pervasive health and human service problems on the Big Island and to make recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session for improving services.

Your Committees note with serious concern that the County of Hawaii continues to report health and social problems at a consistently higher rate than the other counties of the State.

Your Committees further note that the State Health Planning and Development Agency, through the work of its Big Island Committee on Mental Health and Substance Abuse, submitted a report addressing health and human services problems on the Big Island to the Legislature in response to Senate Concurrent Resolution No. 99, passed by the Seventeenth Legislature during the Regular Session of 1994. However, due to the limited time available to the Committee, that report makes only general recommendations for addressing health and human services needs on the Big Island.

Your Committees, therefore, find that this measure is in the public interest, as it will allow for additional time to conduct more thorough research on these important and pressing health and human services matters.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 186 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

#### **SCRep. 1025 Health on S.R. No. 214**

The purpose of this Resolution is to request the Department of Health (DOH) to consider whether the Injury Prevention and Control Program (IPCP) within the Health Promotion and Education Division of the DOH should be organized as a permanent branch within the DOH.

Your Committee recognizes that intentional and unintentional injuries are a major public health problem, adversely affecting health and safety in communities throughout the State.

Your Committee further recognizes the important and effective work that IPCP has accomplished to date in each of the areas it was intended to address, namely: conducting injury data surveillance and analysis; developing and implementing injury prevention policies; enhancing community awareness and education related to injuries and injury prevention; designing and conducting prevention interventions and evaluations; and fostering and facilitating diverse community coalitions.

Your Committee finds that injury data now indicates that a new structure for IPCP may be more appropriate to fully and effectively address its key functions across the State. Consequently, your Committee believes that as the DOH considers plans for departmental reorganization, it should strongly consider the formation of a permanent Injury Prevention and Control branch.

Your Committee has made a technical, nonsubstantive amendment to this measure for purpose of style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1026 Health on S.C.R. No. 245**

The purpose of this Concurrent Resolution is to request the Department of Health (DOH) to consider whether the Injury Prevention and Control Program (IPCP) within the Health Promotion and Education Division of the DOH should be organized as a permanent branch within the DOH.

Your Committee recognizes that intentional and unintentional injuries are a major public health problem, adversely affecting health and safety in communities throughout the State.

Your Committee further recognizes the important and effective work that IPCP has accomplished to date in each of the areas it was intended to address, namely: conducting injury data surveillance and analysis; developing and implementing injury prevention policies; enhancing community awareness and education related to injuries and injury prevention; designing and conducting prevention interventions and evaluations; and fostering and facilitating diverse community coalitions.

Your Committee finds that injury data now indicates that a new structure for IPCP may be more appropriate to fully and effectively address its key functions across the State. Consequently, your Committee believes that as the DOH considers plans for departmental reorganization, it should strongly consider the formation of a permanent Injury Prevention and Control branch.

Your Committee has made a technical, nonsubstantive amendment to this measure for purpose of style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 245, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 245, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1027 Human Services on S.R. No. 143**

The purpose of this Resolution is to request the Department of Human Services to conduct a study of the welfare system of the State of Hawaii.

The aim of the study is to examine the cost-effectiveness of a number of specified proposals designed to make the welfare system more streamline, effective, and efficient, and to encourage individual betterment.

Your Committee finds that this study is prudent and necessary in view of the current political climate in the country, the burgeoning of the State's welfare roll, the poor economic condition of the State, the public's aversion to paying more taxes to support more welfare, and the adverse social, psychological, and educational impact of the welfare system on able-bodied recipients and their children.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 143 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 1028 Human Services on S.C.R. No. 163**

The purpose of this Concurrent Resolution is to request the Department of Human Services to conduct a study of the welfare system of the State of Hawaii.

The aim of the study is to examine the cost-effectiveness of a number of specified proposals designed to make the welfare system more streamline, effective, and efficient, and to encourage individual betterment.

Your Committee finds that this study is prudent and necessary in view of the current political climate in the country, the burgeoning of the State's welfare roll, the poor economic condition of the State, the public's aversion to paying more taxes to support more welfare, and the adverse social, psychological, and educational impact of the welfare system on able-bodied recipients and their children.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 163 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 1029 Human Services on S.R. No. 171**

The purpose of this Resolution is to request interagency commitment to remove barriers to community-based efforts to address issues of teen pregnancy prevention and teen parenting.

The number of pregnancies among young women under eighteen years of age is growing at a worrisome rate so as to cause concern for its causes and ramifications to society. Your Committee believes that sustainable solutions to the issues

of teen pregnancy and prevention are best resolved at the community level, utilizing existing community assets and supporting existing efforts. The government can be a facilitator to communities by removing systemic barriers that impede community solutions in this regard.

This Resolution asks government and private agencies to collaborate on planning and implementing solutions for the prevention of teen pregnancies and to address the issues surrounding pregnant and parenting teens, with concentration on community-identified barriers and community-based efforts to preventing teen pregnancy.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 171 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1030 Human Services on S.C.R. No. 193**

The purpose of this Concurrent Resolution is to request interagency commitment to remove barriers to community-based efforts to address issues of teen pregnancy prevention and teen parenting.

The number of pregnancies among young women under eighteen years of age is growing at a worrisome rate so as to cause concern for its causes and ramifications to society. Your Committee believes that sustainable solutions to the issues of teen pregnancy and prevention are best resolved at the community level, utilizing existing community assets and supporting existing efforts. The government can be a facilitator to communities by removing systemic barriers that impede community solutions in this regard.

This Concurrent Resolution asks government and private agencies to collaborate on planning and implementing solutions for the prevention of teen pregnancies and to address the issues surrounding pregnant and parenting teens, with concentration on community-identified barriers and community-based efforts to preventing teen pregnancy.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 193 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1031 Human Services on S.R. No. 194**

The purpose of this Resolution is to request the President of the United States to convene a White House conference on children and youth in 1996.

Poverty is a problem of growing proportions in America that impacted nearly 14,000,000 children in 1992. Abuse and neglect in 1992 affected an estimated 2,900,000 children and is rising.

Your Committee believes that there is a need for this country to make the health, safety, and welfare of children and youth a national priority. Policy makers, advocates, and parents must meet on a national level to discuss strategies for aiding children and youth in America. A White House conference on children and youth would serve this purpose. The last conference was convened more than twenty years ago.

The time is now ripe for another conference, given the current ongoing national debates over health care, welfare, and education reform and Congressional efforts to balance the federal budget by cutting back on programs for children and youth through consolidating social service programs into block grants to the states.

Your Committee has amended this Resolution to request Hawaii's Congressional Delegation to request the President of the United States to convene this White House conference.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 194, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 194, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1032 Human Services on S.C.R. No. 221**

The purpose of this Concurrent Resolution is to request the President of the United States to convene a White House conference on children and youth in 1996.

Poverty is a problem of growing proportions in America that impacted nearly 14,000,000 children in 1992. Abuse and neglect in 1992 affected an estimated 2,900,000 children and is rising.

Your Committee believes that there is a need for this country to make the health, safety, and welfare of children and youth a national priority. Policy makers, advocates, and parents must meet on a national level to discuss strategies for aiding children and youth in America. A White House conference on children and youth would serve this purpose. The last conference was convened more than twenty years ago.

The time is now ripe for another conference, given the current ongoing national debates over health care, welfare, and education reform and Congressional efforts to balance the federal budget by cutting back on programs for children and youth through consolidating social service programs into block grants to the states.

Your Committee has amended this Concurrent Resolution to request Hawaii's Congressional Delegation to request the President of the United States to convene this White House conference.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 221, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 221, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1033 Human Services on H.C.R. No. 163**

The purpose of this Concurrent Resolution is to support Hawaii's delegation to the 1995 White House Conference on Aging.

Hawaii has been preparing for the national White House Conference on Aging since February of 1994. Under the leadership of a seventeen member steering committee, nearly fifty events have been held throughout the State. These activities were aimed at obtaining grassroots input on the major areas of concern among older adults.

The White House Conference on Aging, scheduled for May 2-5 in Washington D.C., is a significant event whereby Americans from all segments of society will have a role in making recommendations on aging policy for the 21st century. This Concurrent Resolution expresses support for Hawaii's delegates to that national conference, in recognition of the importance of that conference and of all the work put in thus far on the state level in preparation for that conference, including a local mini conference which was held in preparation for the national conference.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1034 Human Services on H.C.R. No. 164**

The purpose of this Concurrent Resolution is to support the 1995 Mini Interfaith White House Conference on Aging report "Spiritual Dimensions in Aging."

The President of the United States has called for a national White House Conference on Aging (WHCOA) to be scheduled for May 2-5, 1995. Meanwhile, a local mini conference was held on January 28, 1995, in preparation for the national conference. That local conference, "Spiritual Dimensions in Aging," was composed of concerned groups, including interfaith groups, and produced a report of its recommendations on a national aging policy for the 21st century.

According to supporting testimony of the Executive Office on Aging, Hawaii has been preparing since February of 1994 for the national White House Conference on Aging. The Executive Office on Aging acknowledges the report of the local Mini Interfaith White House Conference on Aging, since that conference was officially recognized as a WHCOA event by the Executive Director of WHCOA. That report focuses on the broad spiritual concerns of the elderly and will contribute to the future policy making for all older Americans and interfaith volunteer caregivers who make a significant difference in the lives of frail, isolated, suffering persons and their families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1035 Human Services on S.R. No. 184**

The purpose of this Resolution is to request the Office of Children and Youth to plan and convene a summit for Asian and Pacific children and youth.

The Office of Youth Services of the Department of Human Services and the Department of Business, Economic Development, and Tourism are asked to assist the Office of Children and Youth in this project.

With children's issues being currently high on the public agenda, there is a need for a summit for children and youth from Asia and the Pacific to be held in Honolulu in 1996. This summit is to review the status of children's rights locally and nationally and examine ways in which those rights can be implemented more effectively, and to press for the creation of new and improved laws regarding children's rights.

Hawaii has established sister state relationships with several Asian-Pacific countries, as well as student exchange programs to enhance these relationships, so there is a logical nexus for this summit.

Your Committee has amended this Resolution to change the date of the summit from 1996 to 1997 and to request the Office of Children and Youth to determine if there is sufficient support from other agencies and interested parties for this endeavor.

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

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1036 Human Services on S.C.R. No. 211**

The purpose of this Concurrent Resolution is to request the Office of Children and Youth to plan and convene a summit for Asian and Pacific children and youth.

The Office of Youth Services of the Department of Human Services and the Department of Business, Economic Development, and Tourism are asked to assist the Office of Children and Youth in this project.

With children's issues being currently high on the public agenda, there is a need for a summit for children and youth from Asia and the Pacific to be held in Honolulu in 1996. This summit is to review the status of children's rights locally and nationally and examine ways in which those rights can be implemented more effectively, and to press for the creation of new and improved laws regarding children's rights.

Hawaii has established sister state relationships with several Asian-Pacific countries, as well as student exchange programs to enhance these relationships, so there is a logical nexus for this summit.

Your Committee has amended this Concurrent Resolution to change the date of the summit from 1996 to 1997 and to request the Office of Children and Youth to determine if there is sufficient support from other agencies and interested parties for this endeavor.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 211, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 211, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Aki).

**SCRep. 1037 Hawaiian Affairs on S.R. No. 86**

The purpose of this Resolution is to approve the advisory opinions of the Hawaiian Home Lands Trust Individual Claims Review Panel and urge that the Department of Hawaiian Home Lands (DHHL) take immediate corrective action on those claims.

Your Committee finds that the Hawaiian Home Lands Trust Individual Claims Review Panel was established in 1991 by the legislature to receive, investigate, review, and make recommendations for breach of trust claims against the State involving the Hawaiian Home Lands trust. Pursuant to chapter 674, Hawaii Revised Statute, the panel is required to submit its advisory opinions on the breach of trust claims to the legislature for further action and review. This Resolution provides the next step to resolve the breach of trust claims.

Your Committee has amended the first BE IT RESOLVED clause to provide language reflecting the agreement between the DHHL, the Native Hawaiian Legal Corporation, an entity representing a few of the claimants, and the panel on the advisory opinions that are to be submitted to the legislature for further action on the breach of trust claims. The new language urges the DHHL and the Hawaiian Homes Commission to take immediate action in claims where the panel has determined that a breach of trust occurred.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86, 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. 86, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1038 Hawaiian Affairs on S.C.R. No. 100**

The purpose of this Concurrent Resolution is to approve the advisory opinions of the Hawaiian Home Lands Trust Individual Claims Review Panel and urge that the Department of Hawaiian Home Lands (DHHL) take immediate corrective action on those claims.

Your Committee finds that the Hawaiian Home Lands Trust Individual Claims Review Panel was established in 1991 by the legislature to receive, investigate, review, and make recommendations for breach of trust claims against the State involving the Hawaiian Home Lands trust. Pursuant to chapter 674, Hawaii Revised Statute, the panel is required to submit its advisory opinions on the breach of trust claims to the legislature for further action and review. This Concurrent Resolution provides the next step to resolve the breach of trust claims.

Your Committee has amended the first BE IT RESOLVED clause to provide language reflecting the agreement between the DHHL, the Native Hawaiian Legal Corporation, an entity representing a few of the claimants, and the panel on the advisory opinions that are to be submitted to the legislature for further action on the breach of trust claims. The new language urges the DHHL and the Hawaiian Homes Commission to take immediate action in claims where the panel has determined that a breach of trust occurred.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 100, 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. 100, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1039 Hawaiian Affairs on S.R. No. 128**

The purpose of this Resolution is to urge the legislature to support the efforts of Komike Hokule'a and the Hawaiian Civic Clubs in Southern California to coordinate activities for the West Coast visit of Hokule'a celebrating Polynesian voyaging traditions.

Your Committee finds that the Hokule'a will visit Long Beach, California during July 13 to 18, 1995. Komike Hokule'a, a committee made up of several Hawaiian organizations in Southern California, and the Hawaiian Civic Clubs in Southern California have planned educational activities that will enhance the presence of the Hokule'a during its visit as well as provide educational information on the Native Hawaiian culture and heritage for the mainland public to recognize and appreciate Native Hawaiian crafts, arts, values, skills, and the discipline required in all aspects of Hawaiian life.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 128 and recommends that it be referred to the Committee on Higher Education, Culture, and Arts.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1040 Hawaiian Affairs on S.C.R. No. 145**

The purpose of this Concurrent Resolution is to urge the legislature to support the efforts of Komike Hokule'a and the Hawaiian Civic Clubs in Southern California to coordinate activities for the West Coast visit of Hokule'a celebrating Polynesian voyaging traditions.

Your Committee finds that the Hokule'a will visit Long Beach, California during July 13 to 18, 1995. Komike Hokule'a, a committee made up of several Hawaiian organizations in Southern California, and the Hawaiian Civic Clubs in Southern California have planned educational activities that will enhance the presence of the Hokule'a during its visit as well as provide educational information on the Native Hawaiian culture and heritage for the mainland public to recognize and appreciate Native Hawaiian crafts, arts, values, skills, and the discipline required in all aspects of Hawaiian life.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 145 and recommends that it be referred to the Committee on Higher Education, Culture, and Arts.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1041 Hawaiian Affairs on S.R. No. 130**

The purpose of this Resolution is to urge the office of Hawaiian affairs to work with the community and the Native American Sports Council to establish a Hawaiian sports council.

Your Committee finds that several key organizations and agencies in the Hawaiian community have arranged meetings with the Native American Sports Council to establish a Hawaiian Sports Council. The response has been very positive. One concrete outcome of their concerted efforts was the passage of a resolution at the 1994 convention of the Association of Hawaiian Civic Clubs supporting the establishment of a Hawaiian Sports Council.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 130 and recommends that it be referred to the Committee on Tourism and Recreation.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1042 Hawaiian Affairs on S.C.R. No. 147**

The purpose of this Concurrent Resolution is to urge the office of Hawaiian affairs to work with the community and the Native American Sports Council to establish a Hawaiian sports council.

Your Committee finds that several key organizations and agencies in the Hawaiian community have arranged meetings with the Native American Sports Council to establish a Hawaiian Sports Council. The response has been very positive. One concrete outcome of their concerted efforts was the passage of a resolution at the 1994 convention of the Association of Hawaiian Civic Clubs supporting the establishment of a Hawaiian Sports Council.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147 and recommends that it be referred to the Committee on Tourism and Recreation.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1043 Hawaiian Affairs on S.R. No. 154**

The purpose of this Resolution is to develop as a demonstration project an alternative correctional system for defendants or adjudicated youths of Hawaiian ancestry. The demonstration project would include the concept of a safe haven that would replace the imposition of prison terms if the defendants or adjudicated youth pledge to remain within the confines of the safe haven/refuge area.

Your Committee finds that the demonstration project is based on a traditional Hawaiian dispute resolution system, ho'oponopono, a means to make things correct through mediation and counselling. For serious offenders, pu'uhonua, translated as the city of refuge, would be an alternative to the prison system. It is believed that applying these culturally sensitive alternatives could effect an eventual decrease in the number of incarcerated Hawaiians who make up the majority of the inmate population. The present prison system has proven to be counter productive.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 154 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1044 Hawaiian Affairs on S.C.R. No. 175**

The purpose of this Concurrent Resolution is to develop as a demonstration project an alternative correctional system for defendants or adjudicated youths of Hawaiian ancestry. The demonstration project would include the concept of a safe haven that would replace the imposition of prison terms if the defendants or adjudicated youth pledge to remain within the confines of the safe haven/refuge area.

Your Committee finds that the demonstration project is based on a traditional Hawaiian dispute resolution system, ho'oponopono, a means to make things correct through mediation and counselling. For serious offenders, pu'uhonua, translated as the city of refuge, would be an alternative to the prison system. It is believed that applying these culturally sensitive alternatives could effect an eventual decrease in the number of incarcerated Hawaiians who make up the majority of the inmate population. The present prison system has proven to be counter productive.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1045 Hawaiian Affairs on S.R. No. 182**

The purpose of this Resolution is to present an acknowledgment by the legislature and an adoption by the legislature of the findings of Public Law 103-150, which contains an apology by the United States to Native Hawaiians for the overthrow of the Kingdom of Hawaii on January 17, 1893.

Your Committee finds that sovereignty and other issues relating to native Hawaiian people have received increasing attention in Hawaii. This Resolution is but one legislative instrument to improve conditions for native Hawaiians.

Your Committee has amended the Resolution to include language to reflect that the legislature will acknowledge P.L. 103-150 in its entirety as well as the information provided in the congressional committee report of P.L. 103-150. The congressional committee report provides information to address the native Hawaiian right to self-determination, including the treaties between the United States and the Kingdom of Hawaii that were broken by the overthrow of 1893.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 182, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.R. No. 182, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1046 Hawaiian Affairs on S.C.R. No. 209**

The purpose of this Concurrent Resolution is to present an acknowledgment by the legislature and an adoption by the legislature of the findings of Public Law 103-150, which contains an apology by the United States to Native Hawaiians for the overthrow of the Kingdom of Hawaii on January 17, 1893.

Your Committee finds that sovereignty and other issues relating to native Hawaiian people have received increasing attention in Hawaii. This Concurrent Resolution is but one legislative instrument to improve conditions for native Hawaiians.

Your Committee has amended the Concurrent Resolution to include language to reflect that the legislature will acknowledge P.L. 103-150 in its entirety as well as the information provided in the congressional committee report of P.L. 103-150. The congressional committee report provides information to address the native Hawaiian right to self-determination, including the treaties between the United States and the Kingdom of Hawaii that were broken by the overthrow of 1893.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 209, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 209, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Levin).

**SCRep. 1047 Hawaiian Affairs on S.R. No. 244**

The purpose of this Resolution is to form a consortium to address and to develop an action plan to reduce the overrepresentation of native Hawaiian youths and adults in the criminal justice system.

Your Committee finds that native Hawaiians represent the largest number of incarcerated people in the State, even though they are not arrested at higher rates than other ethnic groups. Furthermore, the incarceration rate of native Hawaiians is twice their proportion in the state population.

Testimony was submitted in support of the Resolution by the Judiciary, which is also willing to participate in the consortium as needed.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 244 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Levin).

**SCRep. 1048 Hawaiian Affairs on S.C.R. No. 289**

The purpose of this Concurrent Resolution is to form a consortium to address and to develop an action plan to reduce the overrepresentation of native Hawaiian youths and adults in the criminal justice system.

Your Committee finds that native Hawaiians represent the largest number of incarcerated people in the State, even though they are not arrested at higher rates than other ethnic groups. Furthermore, the incarceration rate of native Hawaiians is twice their proportion in the state population.

Testimony was submitted in support of the Concurrent Resolution by the Judiciary, which is also willing to participate in the consortium as needed.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 289 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Levin).

**SCRep. 1049 Hawaiian Affairs on S.R. No. 253**

The purpose of this Resolution is to present an acknowledgement by the legislature and an apology for the past dereliction by the State of Hawaii in its fiduciary duty to administer the Hawaiian home lands and ceded or trust lands for the betterment of the conditions of native Hawaiians. The Resolution also requests that the Legislature:

- (1) Recognize the determination of native Hawaiians to preserve, develop, and transmit their heritage and cultural identity through their own spiritual and traditional beliefs;
- (2) Recognize that the implementation of programs to improve the conditions of native Hawaiians will be conducted through native Hawaiian institutions and organizations founded and directed primarily to serve native Hawaiians; and
- (3) Authorize state departments and instrumentalities of state government which provide services and programs affecting native Hawaiians and Hawaiians to cooperate with and assist native Hawaiian institutions and organization.

Your Committee finds that the legislature has recognized through several legislative vehicles the past injustices imposed upon native Hawaiians. One such example is the Individual Claims Panel process to resolve breach of trust claims for the Hawaiian Home Lands trust. This Resolution is another vehicle to improve conditions for native Hawaiians.

Your Committee has amended this Resolution to include language to request various public and private agencies to cooperate fully in the activities of the Hui Imi Task Force and that a certified copy of the Resolution be transmitted to the Governor.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 253, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.R. No. 253, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Levin).

**SCRep. 1050 Hawaiian Affairs on S.C.R. No. 301**

The purpose of this Concurrent Resolution is to present an acknowledgement by the legislature and an apology for the past dereliction by the State of Hawaii in its fiduciary duty to administer the Hawaiian home lands and ceded or trust lands for the betterment of the conditions of native Hawaiians. The Concurrent Resolution also requests that the Legislature:

- (1) Recognize the determination of native Hawaiians to preserve, develop, and transmit their heritage and cultural identity through their own spiritual and traditional beliefs;
- (2) Recognize that the implementation of programs to improve the conditions of native Hawaiians will be conducted through native Hawaiian institutions and organizations founded and directed primarily to serve native Hawaiians; and
- (3) Authorize state departments and instrumentalities of state government which provide services and programs affecting native Hawaiians and Hawaiians to cooperate with and assist native Hawaiian institutions and organization.

Your Committee finds that the legislature has recognized through several legislative vehicles the past injustices imposed upon native Hawaiians. One such example is the Individual Claims Panel process to resolve breach of trust claims for the Hawaiian Home Lands trust. This Concurrent Resolution is another vehicle to improve conditions for native Hawaiians.

Your Committee has amended this Concurrent Resolution to include language to request various public and private agencies to cooperate fully in the activities of the Hui Imi Task Force and that a certified copy of the Concurrent Resolution be transmitted to the Governor.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 301, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 301, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Levin).

**SCRep. 1051 Hawaiian Affairs on S.C.R. No. 278**

The purpose of this concurrent resolution is to request the Office of the Auditor to conduct a study on alternatives allowing beneficiaries of the Hawaiian Home Lands Trust input on how members of the Hawaiian Homes Commission are appointed or possibly elected.

Your Committee finds that the Hawaiian Homes Commission Act, 1920, (HHCA) makes no provision for direct accountability to the beneficiaries in choosing the members of the Hawaiian Homes Commission. The members of the commission, the specific entity responsible for carrying out the State's fiduciary duty to serve the native Hawaiians and Hawaiians under HHCA, are appointed in accordance with section 26-34, Hawaii Revised Statutes, with the chair appointed by the governor.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 278 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Levin).

**SCRep. 1052 (Joint) Health and Human Services on S.R. No. 78**

The purpose of this resolution is to establish a task force to develop a long-term strategy for the funding of health and human services.

Your Committees find that the health and human services needs of the State of Hawaii continue to increase in incidence and complexity, while necessary funding to minimally meet those needs remains severely limited. Private providers of health and human services are particularly affected because they need a predictable and stable source of funds to effectively plan and deliver these services.

This resolution seeks to realize a more long-term, cooperative approach among legislative chairs, department directors, and the private sector to resolving the problem of funding for the State's health and human services needs.

Your Committees have amended this resolution to include as members of the task force the Senior Judge of the Family Court, First Circuit, representatives from the Aloha United Way and the United Way programs on the neighbor islands, and executive directors of the major charitable foundations. An amendment has also been made to allow the task force to select its own chair and vice-chair.

Your Committees have also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 78, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 78, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1053 (Joint) Health and Human Services on S.C.R. No. 91**

The purpose of this concurrent resolution is to establish a task force to develop a long-term strategy for the funding of health and human services.

Your Committees find that the health and human services needs of the State of Hawaii continue to increase in incidence and complexity, while necessary funding to minimally meet those needs remains severely limited. Private providers of health and human services are particularly affected because they need a predictable and stable source of funds to effectively plan and deliver these services.

This Concurrent resolution seeks to realize a more long-term, cooperative approach among legislative chairs, department directors, and the private sector to resolving the problem of funding for the State's health and human services needs.

Your Committees have amended this concurrent resolution to include as members of the task force the Senior Judge of the Family Court, First Circuit, representatives from the Aloha United Way and the United Way programs on the neighbor islands, and executive directors of the major charitable foundations. An amendment has also been made to allow the task force to select its own chair and vice-chair.

Your Committees have also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 91, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1054 (Joint) Education and Higher Education, Culture, and Arts on S.R. No. 96**

The purpose of this resolution is to present an acknowledgement by the legislature that it supports programs and policies that foster affirmative action, diversity, and civil rights in the State of Hawaii as well as funding for these types of programs.

Your Committees find that through this Resolution the legislature can continue its proactive role in addressing the issue of nondiscrimination based on race, sex, age, religion, color, national origin, ancestry, handicap, marital status, arrest and court records, sexual orientation, or veteran status in the state and federal agencies, the educational systems, and the public and private business sectors of Hawaii.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education, Culture, and Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 96 and recommend that it be referred to the Committee on Judiciary.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Fukunaga, Ikeda, McCartney, Tam).

**SCRep. 1055 (Joint) Education and Higher Education, Culture, and Arts on S.C.R. No. 110**

The purpose of this concurrent resolution is to present an acknowledgement by the legislature that it supports programs and policies that foster affirmative action, diversity, and civil rights in the State of Hawaii as well as funding for these types of programs.

Your Committees find that through this Concurrent resolution the legislature can continue its proactive role in addressing the issue of nondiscrimination based on race, sex, age, religion, color, national origin, ancestry, handicap, marital status, arrest and court records, sexual orientation, or veteran status in the state and federal agencies, the educational systems, and the public and private business sectors of Hawaii.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education, Culture, and Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 110 and recommend that it be referred to the Committee on Judiciary.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Fukunaga, Ikeda, McCartney, Tam).

**SCRep. 1056 Ecology and Environmental Protection on S.R. No. 117**

The purpose of this resolution is to request all State departments and agencies to promote and support comprehensive environmental education initiatives and programs.

Your Committee finds that preventive measures are economically and environmentally more cost-effective than post-corrective actions.

Testimony on this resolution was unanimously in support of it.

Your Committee finds that there are various groups who are willing to collaborate on environmental education partnerships and initiatives, including environmental education groups, business leaders, and governmental agencies. Establishing partnerships utilizing existing resources and infrastructures will lead to more cost-effective and efficient environmental education programs.

Your Committee believes that environmental education efforts should start at the "grass roots" level and include issues we face on a daily basis such as proper disposal of hazardous waste.

Your Committee has amended this resolution to include educating the general public of proper disposal methods for household hazardous waste.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 117, 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. 117, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ikeda, Levin).

**SCRep. 1057 Ecology and Environmental Protection on S.C.R. No. 295**

The purpose of this Concurrent resolution is to request all State departments and agencies to promote and support comprehensive environmental education initiatives and programs.

Your Committee finds that preventive measures are economically and environmentally more cost-effective than post-corrective actions.

Testimony on this Concurrent resolution was unanimously in support of it.

Your Committee finds that there are various groups who are willing to collaborate on environmental education partnerships and initiatives, including environmental education groups, business leaders, and governmental agencies. Establishing partnerships utilizing existing resources and infrastructures will lead to more cost-effective and efficient environmental education programs.

Your Committee believes that environmental education efforts should start at the "grass roots" level and include issues we face on a daily basis such as proper disposal of hazardous waste.

Your Committee has amended this Concurrent resolution to include educating the general public of proper disposal methods for household hazardous waste.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 295, 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. 295, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ikeda, Levin).

**SCRep. 1058 Housing on S.R. No. 210**

The purpose of this resolution is to request the Real Estate Commission to ascertain the effects on the housing market if single family residential real estate property, that previously served as the principal residence of a deceased person, are excluded from the gross estate for state estate tax filing purposes, with the cooperation and assistance of the Department of Taxation and additional technical assistance from the Real Estate Research Institute of the University of Hawaii.

Your Committee finds that when a homeowner dies and leaves the assets of the estate to an heir, the appreciation of the real property alone in Hawaii has such substantial value that the assets now exceed the federal unified credit that amounts

to \$600,000. Families of the deceased are forced to use the remaining assets, or resort to selling the real property, to pay the estate taxes due.

Testimony in opposition was received from the Real Estate Commission as it believes that it is not the appropriate agency to conduct or fund the study. The University of Hawaii Real Estate Research and Education Center also presented testimony in opposition.

Your Committee feels that there is merit in the intent of the resolution and upon further evaluation of the substantive contents with the Department of Taxation, your Committee has learned that the resolution contained inaccurate statements about the use of the State and Federal Estate Tax. The proper avenue to address the situation is at the Federal level as the State estate tax is based on the determination of the Federal estate tax due.

In light of this, your Committee has amended the resolution by:

- (1) Deleting all references to the Real Estate Commission, the State Department of Taxation, and the University of Hawaii Real Estate Research and Education Center;
- (2) Clarifying the language on the federal estate tax; and
- (3) Urging Congress to consider amending the estate tax law to increase the unified credit against estate tax so that the value of a decedent's principal residence shall not be taxed or amend the definition of "gross estate" to exclude the value of a decedent's principal residence.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 210, 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. 210, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi)

**SCRep. 1059      Housing on S.C.R. No. 240**

The purpose of this Concurrent resolution is to request the Real Estate Commission to ascertain the effects on the housing market if single family residential real estate property, that previously served as the principal residence of a deceased person, are excluded from the gross estate for state estate tax filing purposes, with the cooperation and assistance of the Department of Taxation and additional technical assistance from the Real Estate Research Institute of the University of Hawaii.

Your Committee finds that when a homeowner dies and leaves the assets of the estate to an heir, the appreciation of the real property alone in Hawaii has such substantial value that the assets now exceed the federal unified credit that amounts to \$600,000. Families of the deceased are forced to use the remaining assets, or resort to selling the real property, to pay the estate taxes due.

Testimony in opposition was received from the Real Estate Commission as it believes that it is not the appropriate agency to conduct or fund the study. The University of Hawaii Real Estate Research and Education Center also presented testimony in opposition.

Your Committee feels that there is merit in the intent of the resolution and upon further evaluation of the substantive contents with the Department of Taxation, your Committee has learned that the resolution contained inaccurate statements about the use of the State and Federal Estate Tax. The proper avenue to address the situation is at the Federal level as the State estate tax is based on the determination of the Federal estate tax due.

In light of this, your Committee has amended the resolution by:

- (1) Deleting all references to the Real Estate Commission, the State Department of Taxation, and the University of Hawaii Real Estate Research and Education Center;
- (2) Clarifying the language on the federal estate tax; and
- (3) Urging Congress to consider amending the estate tax law to increase the unified credit against estate tax so that the value of a decedent's principal residence shall not be taxed or amend the definition of "gross estate" to exclude the value of a decedent's principal residence.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 240, 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. 240, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1060      Housing on S.C.R. No. 259**

The purpose of this Concurrent resolution is to request the Legislative Auditor to conduct a "sunrise" review to determine the need for licensing of persons managing the operation and governance of condominium property.

The Concurrent resolution follows Senate Draft 1 to House Bill No. 868 which proposes a new regulatory scheme to license condominium managing agents.

Favorable testimony was submitted by the Real Estate Commission, the Hawaii Chapter of the Community Associations Institute (CAI), and a private citizen.

Presently, condominium managing agents are required to:

- (1) Have a real estate broker's license, whether a corporation, partnership, or sole proprietor;
- (2) Register and re-register annually with the Real Estate Commission; and
- (3) Have a fidelity bond, which protects the condominium managing agents against misappropriation by its employees of condominium associations' funds.

Furthermore, there is no licensing or registration requirement for employees of condominium managing agents and or self-managed condominium associations who provide the services, make decisions for the associations, and handle the funds of the associations.

In addition, because there are no competency requirements for condominium managing agents or for their principals, employees, or other associates, individuals with no prior experience or education may manage condominiums in the State. Given the level of responsibility which CMAs have in managing condominium property (property with a value of billions of dollars) which includes having access to each condominium apartment and being influential in the decision making process, CMAs tremendously affect the welfare of all the occupants of the condominium.

In light of this, your Committee supports the intent of the Concurrent resolution with the following amendments to the first **BE IT FURTHER RESOLVED** clause to require the Auditor to:

- (1) Study the impact of the proposed licensing scheme as to funding and resources; and
- (2) Study and consider the regulatory schemes as recommended by trade organizations, including but not limited to the Community Associations Institute (CAI), the Institute of Real Estate Management (IREM), and the Hawaii Association of Realtors (HAR).

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 259, 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. 259, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

#### **SCRep. 1061      Housing on S.C.R. No. 284**

The purpose of this Concurrent resolution is to request that the Real Estate Commission establish a plan for recodifying Chapter 514A, Condominium Property Regime, Hawaii Revised Statutes, to make it easier to understand and follow. The Concurrent resolution also requests the Commission to examine the possibility of using the condominium management education fund to fund the recodification effort and submit a report on the plan to the 1996 Legislature.

The condominium property regime law, formerly known as the horizontal property regime law, and more commonly called the "condominium law", has been in existence since the early 1960s. The condominium law has been amended through hundreds of legislative acts. This "piecemeal" approach has resulted in a complex and confused law which appears to use inconsistent language and provisions and lacks internal consistency. The lack of consistency raises unnecessary interpretative problems. Condominium apartment owners, boards of directors, condominium managing agents, attorneys, prospective apartment purchasers, real estate licensees, developers, mediators and arbitrators of governance problems, tenants, government officials, and others have expressed their belief that the lack of a uniform internally consistent condominium law is a pervasive problem affecting all persons involved with the condominium law. The true extent of this pervasive problem becomes clearer when one considers that the intent of the condominium law is self-governance, majority rule, owner enforcement, mediation and arbitration of disputes, and minimal involvement or enforcement by the State.

Your Committee received testimony in support of this resolution from the Real Estate Commission, the Condominium and Cooperative Committee of the Real Property and Finance Section of the Hawaii State Bar Association, the Hawaii Chapter of the Community Associations Institute, and a private citizen.

Based on the testimony submitted, your Committee finds that the recodification of the condominium law will make it easier for everyone to understand, especially in the administration of self-governance. As stated in the Condominium Specialist's report to the 1991 legislature, "From the Legislature's point of view, making the law understandable should be a priority because it keeps legislative power with the Legislature. Incomprehensible or confusing laws take legislative power from the Legislature and transfer[s] it to attorneys."

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 284 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1062 (Joint) Planning, Land and Water Use Management and Ecology and Environmental Protection on S.R. No. 175**

The purpose of this Resolution is to request the Department of Health to establish a Kaiaka-Waialua Watershed Management Council to conduct a special water resources preservation and reclamation project.

Your Committees received testimony from the Department of Health stating that presently they do not have additional staff or resources to devote to conducting such a major project. However, your Committees find that a special water resources preservation and reclamation project is needed at this time. Thus, to reduce the fiscal impacts on the Department of Health, your Committees have amended this Resolution to request the Department of Health to provide assistance to one or more interested community groups or leaders to establish a Kaiaka-Waialua watershed management council, which council will conduct the special water resources preservation and reclamation project.

Based on testimony received at the hearing, your Committees have also deleted the specific purposes of the special water resources preservation and reclamation project, in order to leave such parameters to the discretion of the Kaiaka-Waialua watershed management council to be formed pursuant to this Resolution.

Your Committees have also amended the title of this Resolution to more accurately reflect the contents of this Resolution.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Ecology and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 175, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 175, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Aki, Ikeda, Tanaka).

**SCRep. 1063 (Joint) Planning, Land and Water Use Management and Ecology and Environmental Protection on S.C.R. No. 199**

The purpose of this Concurrent resolution is to request the Department of Health to establish a Kaiaka-Waialua Watershed Management Council to conduct a special water resources preservation and reclamation project.

Your Committees received testimony from the Department of Health stating that presently they do not have additional staff or resources to devote to conducting such a major project. However, your Committees find that a special water resources preservation and reclamation project is needed at this time. Thus, to reduce the fiscal impacts on the Department of Health, your Committees have amended this Concurrent resolution to request the Department of Health to provide assistance to one or more interested community groups or leaders to establish a Kaiaka-Waialua watershed management council, which council will conduct the special water resources preservation and reclamation project.

Based on testimony received at the hearing, your Committees have also deleted the specific purposes of the special water resources preservation and reclamation project, in order to leave such parameters to the discretion of the Kaiaka-Waialua watershed management council to be formed pursuant to this Concurrent resolution.

Your Committees have also amended the title of this Concurrent resolution to more accurately reflect the contents of this Concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Ecology and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 199, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 199, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Aki, Ikeda, Tanaka).

**SCRep. 1064 Health on S.C.R. No. 253**

The purpose of this Concurrent resolution is to request the Legislative Auditor to perform a sunrise review of the regulation of respiratory care practitioners, and in particular, to study, assess, and report to the Legislature on:

- (1) The need for and proposed effects of regulating the practice of respiratory therapy in Hawaii;
- (2) Whether doing so would be consistent with the policies set forth in section 26H-2, Hawaii Revised Statutes; and
- (3) The preferred form through which such regulation should be provided, if appropriate.

Your Committee finds that respiratory care practitioners operate sophisticated life support systems, the correct use of which can assist patients in recuperating more quickly and reaching a higher level of recovery. The incorrect use of these systems can result in inappropriate prolonged hospitalization or death.

Apparently there are no statewide standards or definitions applicable to the practice of respiratory care, and as a result, Hawaii's respiratory care consumers cannot be assured that persons providing these services are fully qualified by education and experience to do so.

Your Committee therefore believes that this measure is relevant to the safety, health, and welfare of the general public.

Your Committee has amended this measure by clarifying that the Auditor is requested to study and report on the workload to be expected and the additional resources needed by the Department of Commerce and Consumer Affairs to assess applicants and licensees, and by making several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 253, 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. 253, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Baker).

**SCRep. 1065      Tourism and Recreation on S.R. No. 31**

The purpose of this Resolution, as received by your Committee, is to request the Office of State Planning to conduct a visitor carrying capacity study of the Waikiki Special District.

Your Committee finds that the Waikiki Special District continues to be a primary sector of our visitor industry, and its further development must be carefully planned to include the Hawaii Convention Center and other improvements. Your Committee further finds that the City and County of Honolulu has established an Office of Waikiki Development, specifically to undertake the completion of the Waikiki Master Plan, including the review of its infrastructure carrying capacity as well as other necessary planning components.

Testimony regarding this measure was submitted by the Office of State Planning, the Office of Waikiki Development, and the Environmental Center of the University of Hawaii, with all parties indicating that the carrying capacity study should be part of the development of the Waikiki Master Plan currently being undertaken by the City and County of Honolulu.

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

- (1) Amending its title to read, "REQUESTING THE CITY AND COUNTY OF HONOLULU TO CONDUCT A VISITOR CARRYING CAPACITY STUDY OF THE WAIKIKI SPECIAL DISTRICT IN THE DEVELOPMENT OF THE WAIKIKI MASTER PLAN";
- (2) Deleting the 2nd, 3rd, and 4th WHEREAS clauses related to State studies of visitor carrying capacity;
- (3) Requesting the City and County of Honolulu to conduct the visitor carrying capacity study as part of the development of the Waikiki Master Plan, in collaboration with the Office of State Planning, the Environmental Center of the University of Hawaii at Manoa, and other interested parties;
- (4) Deleting the 2nd BE IT FURTHER RESOLVED clause requesting the City and County to expedite the Waikiki Master Plan; and
- (5) Deleting the 3rd BE IT FURTHER RESOLVED clause requesting the Office of State Planning to report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 31, as amended herein, and recommends that it be referred to the Committee on Ecology and Environmental Protection, in the form attached hereto as S.R. No. 31, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Iwase, Liu).

**SCRep. 1066      Tourism and Recreation on S.C.R. No. 19**

The purpose of this Concurrent resolution, as received by your Committee, is to request the Office of State Planning to conduct a visitor carrying capacity study of the Waikiki Special District.

Your Committee finds that the Waikiki Special District continues to be a primary sector of our visitor industry, and its further development must be carefully planned to include the Hawaii Convention Center and other improvements. Your Committee further finds that the City and County of Honolulu has established an Office of Waikiki Development, specifically to undertake the completion of the Waikiki Master Plan, including the review of its infrastructure carrying capacity as well as other necessary planning components.

Testimony regarding this measure was submitted by the Office of State Planning, the Office of Waikiki Development, and the Environmental Center of the University of Hawaii, with all parties indicating that the carrying capacity study should be part of the development of the Waikiki Master Plan currently being undertaken by the City and County of Honolulu.

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

- (1) Amending its title to read, "REQUESTING THE CITY AND COUNTY OF HONOLULU TO CONDUCT A VISITOR CARRYING CAPACITY STUDY OF THE WAIKIKI SPECIAL DISTRICT IN THE DEVELOPMENT OF THE WAIKIKI MASTER PLAN";

- (2) Deleting the 2nd, 3rd, and 4th WHEREAS clauses related to State studies of visitor carrying capacity;
- (3) Requesting the City and County of Honolulu to conduct the visitor carrying capacity study as part of the development of the Waikiki Master Plan, in collaboration with the Office of State Planning, the Environmental Center of the University of Hawaii at Manoa, and other interested parties;
- (4) Deleting the 2nd BE IT FURTHER RESOLVED clause requesting the City and County to expedite the Waikiki Master Plan; and
- (5) Deleting the 3rd BE IT FURTHER RESOLVED clause requesting the Office of State Planning to report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19, as amended herein, and recommends that it be referred to the Committee on Ecology and Environmental Protection, in the form attached hereto as S.C.R. No. 19, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Iwase, Liu).

**SCRep. 1067      Tourism and Recreation on S.R. No. 177**

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a study on bingo as a mechanism for fund raising in Hawaii for nonprofit organizations.

Your Committee finds that many nonprofit organizations in Hawaii are facing financial difficulties, having limited means with which to generate additional income to continue their services. Your Committee further finds that many jurisdictions throughout the United States have legalized bingo for social fundraising when it is limited to providing support for nonprofit charitable organizations and church groups.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 177 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Iwase, Liu).

**SCRep. 1068      Tourism and Recreation on S.C.R. No. 201**

The purpose of this Concurrent resolution is to request the Legislative Reference Bureau to conduct a study on bingo as a mechanism for fund raising in Hawaii for nonprofit organizations.

Your Committee finds that many nonprofit organizations in Hawaii are facing financial difficulties, having limited means with which to generate additional income to continue their services. Your Committee further finds that many jurisdictions throughout the United States have legalized bingo for social fundraising when it is limited to providing support for nonprofit charitable organizations and church groups.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 201 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Iwase, Liu).

**SCRep. 1069      Tourism and Recreation on S.R. No. 203**

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism and the Legislative Reference Bureau to study various aspects of the feasibility of developing and promoting pari-mutuel horse racing and offtrack betting in Hawaii.

Your Committee finds that pari-mutuel horse racing has been considered as an additional market segment for introduction into Hawaii's visitor industry. Your Committee further finds that during public hearings held to discuss this issue, certain questions related to the economic feasibility and social impacts of pari-mutuel horse racing were raised which should be addressed prior to further consideration by the Legislature. Your Committee also notes that members of the faculty of the University of Hawaii are also willing to participate as resources to the agencies assigned to conduct the study.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 203 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Iwase, Liu).

**SCRep. 1070      Tourism and Recreation on S.C.R. No. 233**

The purpose of this Concurrent resolution is to request the Department of Business, Economic Development, and Tourism and the Legislative Reference Bureau to study various aspects of the feasibility of developing and promoting pari-mutuel horse racing and offtrack betting in Hawaii.

Your Committee finds that pari-mutuel horse racing has been considered as an additional market segment for introduction into Hawaii's visitor industry. Your Committee further finds that during public hearings held to discuss this issue, certain questions related to the economic feasibility and social impacts of pari-mutuel horse racing were raised which should be addressed prior to further consideration by the Legislature. Your Committee also notes that members of the faculty of the University of Hawaii are also willing to participate as resources to the agencies assigned to conduct the study.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 233 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Iwase, Liu).

**SCRep. 1071 (Joint) Tourism and Recreation and Hawaiian Affairs on S.C.R. No. 224**

The purpose of this Concurrent resolution, as received by your Committees, is to request a study on the feasibility of transferring the Ahupua'a O' Kahana (Kahana State Park) from the Department of Land and Natural Resources to the Office of Hawaiian Affairs.

Your Committees find that the Kahana State Park is an area of cultural significance to its residents and native Hawaiians who want to preserve and respect the integrity of the ahupua'a. Your Committees further find that the Office of Hawaiian Affairs has been and continues to work with the Kahana community in the development of various projects, including self-help housing, a Hawaiian cultural center, and restoration of taro production.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the request for a study by the Legislative Reference Bureau and urging the Department of Land and Natural Resources to discuss with the Office of Hawaiian Affairs the feasibility of transferring the Kahana State Park;
- (2) Requesting that the discussants solicit community input; and
- (3) Requesting that the Department of Land and Natural Resources submit an update of its findings and recommendations regarding the transfer proposal to the legislature.

As affirmed by the records of votes of the members of your Committees on Tourism and Recreation and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 224, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 224, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Grauly, Iwase, McCartney, Liu).

**SCRep. 1072 Health on S.R. No. 197**

The purpose of this Resolution is to request the public agencies serving on the Papa Ola Lokahi board of directors, including the Department of Health, the Office of Hawaiian Affairs, and the University of Hawaii, to support and assist the Native Hawaiian health care systems in carrying out their mandate to improve the health status of Native Hawaiians, and to provide annual reports to the Legislature each year of the 1995-1997 fiscal biennium on their efforts to do so.

Your Committee finds that Papa Ola Lokahi is a consortium of public and private agencies, including the Department of Health, the Office of Hawaiian Affairs, and the University of Hawaii, and the private, nonprofit organizations Alu Like, Inc. and E Ola Mau, the mission of which is to improve the health status of Native Hawaiians by advocating, initiating, and maintaining culturally appropriate strategic actions aimed at improving the physical, mental, and spiritual health of Native Hawaiians. It was established in 1989 by the passage of the Native Hawaiian Health Care Improvement Act of 1988, P.L. 100-570, and is already making a significant impact through the five health service delivery systems recognized and certified by it to serve the respective Native Hawaiian populations on the islands of Hawaii, Maui, Molokai, Oahu, and Kauai.

Your Committee further finds that federal appropriations to the Native Hawaiian health care systems (which, since 1991, have been in excess of \$10,000,000) require matching resources in dollars or in-kind services, which, until this year, have been waived.

Your Committee believes that this measure is necessary, especially in light of proposed federal cutbacks that will undoubtedly remove the waivers for matching funds.

Your Committee has amended this Resolution by:

- (1) Amending the title and the contents to request the member organizations (including Alu Like and E Ola Mau), rather than merely the public agencies, on the Papa Ola Lokahi board of directors to support and assist the

Native Hawaiian health care systems in carrying out their mandate to improve the health status of Native Hawaiians;

- (2) Requesting that each of the member organizations serving on the Papa Ola Lokahi board of directors, including Alu Like and E Ola Mau, report to Papa Ola Lokahi, which in turn, is to submit a single, integrated report to the Legislature each year of the 1995-1997 fiscal biennium on its efforts to support and assist the Native Hawaiian health care systems; and
- (3) Capitalizing all references to "Native Hawaiians" in order to more accurately refer to the population of concern in this Resolution, namely, persons of Hawaiian ancestry. Your Committee finds that the use of the phrase "native Hawaiians" normally refers to a subset of persons of Hawaiian ancestry-- i.e., persons with fifty per cent or more Hawaiian blood quantum.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 197, as amended herein, and recommends that it be referred to the Committee on Hawaiian Affairs, in the form attached hereto as S.R. No. 197, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1073      Health on S.C.R. No. 227**

The purpose of this Concurrent resolution is to request the public agencies serving on the Papa Ola Lokahi board of directors, including the Department of Health, the Office of Hawaiian Affairs, and the University of Hawaii, to support and assist the Native Hawaiian health care systems in carrying out their mandate to improve the health status of Native Hawaiians, and to provide annual reports to the Legislature each year of the 1995-1997 fiscal biennium on their efforts to do so.

Your Committee finds that Papa Ola Lokahi is a consortium of public and private agencies, including the Department of Health, the Office of Hawaiian Affairs, and the University of Hawaii, and the private, nonprofit organizations Alu Like, Inc. and E Ola Mau, the mission of which is to improve the health status of Native Hawaiians by advocating, initiating, and maintaining culturally appropriate strategic actions aimed at improving the physical, mental, and spiritual health of Native Hawaiians. It was established in 1989 by the passage of the Native Hawaiian Health Care Improvement Act of 1988, P.L. 100-570, and is already making a significant impact through the five health service delivery systems recognized and certified by it to serve the respective Native Hawaiian populations on the islands of Hawaii, Maui, Molokai, Oahu, and Kauai.

Your Committee further finds that federal appropriations to the Native Hawaiian health care systems (which, since 1991, have been in excess of \$10,000,000) require matching resources in dollars or in-kind services, which, until this year, have been waived.

Your Committee believes that this measure is necessary, especially in light of proposed federal cutbacks that will undoubtedly remove the waivers for matching funds.

Your Committee has amended this Concurrent resolution by:

- (1) Amending the title and the contents to request the member organizations (including Alu Like and E Ola Mau), rather than merely the public agencies, on the Papa Ola Lokahi board of directors to support and assist the Native Hawaiian health care systems in carrying out their mandate to improve the health status of Native Hawaiians;
- (2) Requesting that each of the member organizations serving on the Papa Ola Lokahi board of directors, including Alu Like and E Ola Mau, report to Papa Ola Lokahi, which in turn, is to submit a single, integrated report to the Legislature each year of the 1995-1997 fiscal biennium on its efforts to support and assist the Native Hawaiian health care systems; and
- (2) Capitalizing all references to "Native Hawaiians" in order to more accurately refer to the population of concern in this Concurrent resolution, namely, persons of Hawaiian ancestry. Your Committee finds that the use of the phrase "native Hawaiians" normally refers to a subset of persons of Hawaiian ancestry-- i.e., persons with fifty per cent or more Hawaiian blood quantum.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 227, as amended herein, and recommends that it be referred to the Committee on Hawaiian Affairs, in the form attached hereto as S.C.R. No. 227, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1074      Health on S.R. No. 235**

The purpose of this Resolution is to request the Department of Health to provide, either through the emergency medical services system branch, the division of community hospitals, or a contract with a private provider, permanent advanced life support emergency ambulance service in the Hana district of the county of Maui.

Your Committee finds that the Hana district has available to it in the event of an emergency, only a part-time basic life support level ambulance or in some cases, the more expensive helicopter aeromedical ambulance. Your Committee does note the existence of a temporary contractual arrangement of uncertain duration to provide advanced life support level ambulance services.

Your Committee believes that the Hana district should receive, to the extent possible, the same level of emergency services as is available in all other neighbor island counties. This means that Hana residents, as well as visitors to Hana, should have available advanced life-sustaining medical transport that will enable them to reach secondary or tertiary medical services in a timely period.

Your Committee therefore supports this measure as being in the interests of the health and general welfare of the people of Hawaii.

Your Committee has amended this measure by:

- (1) Amending the title of the Resolution and its body to request the Department of Health to consider funding, rather than to provide, permanent advanced life support emergency ambulance service in the Hana district; and
- (2) Clarifying that, prior to a temporary contractual arrangement of uncertain duration, the only available ambulance unit for the Hana district was staffed at the basic life support level instead of at the advanced life support level.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 235, 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. 235, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Baker).

#### **SCRep. 1075      Health on S.C.R. No. 273**

The purpose of this Concurrent resolution is to request the Department of Health to provide, either through the emergency medical services system branch, the division of community hospitals, or a contract with a private provider, permanent advanced life support emergency ambulance service in the Hana district of the county of Maui.

Your Committee finds that the Hana district has available to it in the event of an emergency, only a part-time basic life support level ambulance or in some cases, the more expensive helicopter aeromedical ambulance. Your Committee does note the existence of a temporary contractual arrangement of uncertain duration to provide advanced life support level ambulance services.

Your Committee believes that the Hana district should receive, to the extent possible, the same level of emergency services as is available in all other neighbor island counties. This means that Hana residents, as well as visitors to Hana, should have available advanced life-sustaining medical transport that will enable them to reach secondary or tertiary medical services in a timely period.

Your Committee therefore supports this measure as being in the interests of the health and general welfare of the people of Hawaii.

Your Committee has amended this measure by:

- (1) Amending the title of the Concurrent resolution and its body to request the Department of Health to consider funding, rather than to provide, permanent advanced life support emergency ambulance service in the Hana district; and
- (2) Clarifying that, prior to a temporary contractual arrangement of uncertain duration, the only available ambulance unit for the Hana district was staffed at the basic life support level instead of at the advanced life support level.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 273, 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. 273, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Baker).

#### **SCRep. 1076      Ecology and Environmental Protection on S.R. No. 119**

The purpose of this Resolution is to allocate state funds for further research into the cause and cure of fibropapilloma. Fibropapilloma, a fatal disease of unknown cause, is currently afflicting the green sea turtle, or "honu". In several areas of Hawaii, this disease is afflicting green sea turtles at epidemic levels.

The green sea turtle, an endangered species, is also an important part of Hawaii's heritage. Although research into the cause of fibropapilloma has been conducted, much more research must be performed to determine the cause and cure of this disease. The Department of Land and Natural Resources has been working with the National Marine Fisheries Service in establishing a Sea Turtle Recovery Plan.

Testimony was submitted by the Board of Land and Natural Resources in support of this Resolution.

Your Committee has amended this Resolution to request that there be more coordination and communication with the federal government. The federal government, through the National Marine Fisheries Service, has taken the authority and lead by establishing a Sea Turtle Recovery Plan. The National Marine Fisheries Service will be requested to keep the State abreast of future studies and findings on the cause and cure of fibropapilloma.

Your Committee has also amended this Resolution to provide that certified copies be sent to the National Marine Fisheries Service, the Board of Land and Natural Resources, the Hawaii Institute of Marine Biology, Sea Life Park, and the Waikiki Aquarium.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 119, 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. 119, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ikeda, Levin).

**SCRep. 1077 Ecology and Environmental Protection on S.C.R. No. 136**

The purpose of this Concurrent resolution is to allocate state funds for further research into the cause and cure of fibropapilloma. Fibropapilloma, a fatal disease of unknown cause, is currently afflicting the green sea turtle, or "honu". In several areas of Hawaii, this disease is afflicting green sea turtles at epidemic levels.

The green sea turtle, an endangered species, is also an important part of Hawaii's heritage. Although research into the cause of fibropapilloma has been conducted, much more research must be performed to determine the cause and cure of this disease. The Department of Land and Natural Resources has been working with the National Marine Fisheries Service in establishing a Sea Turtle Recovery Plan.

Testimony was submitted by the Board of Land and Natural Resources in support of this Concurrent resolution.

Your Committee has amended this Concurrent resolution to request that there be more coordination and communication with the federal government. The federal government, through the National Marine Fisheries Service, has taken the authority and lead by establishing a Sea Turtle Recovery Plan. The National Marine Fisheries Service will be requested to keep the State abreast of future studies and findings on the cause and cure of fibropapilloma.

Your Committee has also amended this Concurrent resolution to provide that certified copies be sent to the National Marine Fisheries Service, the Board of Land and Natural Resources, the Hawaii Institute of Marine Biology, Sea Life Park, and the Waikiki Aquarium.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 136, 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. 136, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ikeda, Levin).

**SCRep. 1078 (Joint) Ecology and Environmental Protection and Transportation and Government Affairs on S.C.R. No. 287**

The purpose of this Concurrent resolution is to preserve and protect the water quality of State in-stream surface waters and groundwaters. This measure proposes to do this by requesting that the Department of Land and Natural Resources, with the cooperation and assistance of the Department of Health and the United States Department of Agriculture:

- (1) Examine the need for and the feasibility of creating riparian buffer zones, especially streams in the Kaiaka-Waialua Bay Hydrological Unit;
- (2) Develop and specify a definition for such a zone as well as suggesting practical, economic, and effective ways for creating such zones; and
- (3) Submit a report of findings and recommendations to the Legislature twenty days prior to the 1996 regular session.

Testimony in support of the intent of this Concurrent resolution was received from the Environmental Planning Office of the Department of Health (EPO) and the Commission on Water Resource Management, Department of Land and Natural Resources (Commission).

However, the Commission opposes this Concurrent resolution because they believe it will adversely impact their already limited resources. Both departments testified that due to budgetary and staffing cutbacks, their involvement in the implementation of this Concurrent resolution would have to be limited to an advisory role.

Your Committees find that the issue of studying the efficacy of establishing riparian zones is one that will have to be addressed in the future regardless of the economic condition of the State. One of the problems faced in implementing a study of streams and other inland bodies of water is the cross-jurisdiction among various federal, state, and county departments and agencies, as well as with private landowners whose property such waterways may cross.

EPO testified that a community-based task force, community members who have a stakehold in the affected waterways, would be the most appropriate body to address the problems faced in the Kaiaka-Waialua Bay Hydrological Unit. EPO would then be acting in an advisory capacity to the community-based task force.

Your Committees have amended this Concurrent resolution by inserting a request that there be coordinated efforts between governmental agencies and the affected communities. Technical, nonsubstantive amendments have also been made by your Committees for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Ecology and Environmental Protection and Transportation and Government Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 287, as amended herein, and recommend that it be referred to the Committee on Planning, Land and Water Use Management, in the form attached hereto as S.C.R. No. 287, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Ikeda, Levin, Taniguchi, Anderson).

#### **SCRep. 1079      Economic Development on S.R. No. 89**

The purpose of this Resolution is to request the Legislative Reference Bureau (LRB), with the assistance of the County of Hawaii and the Department of Land and Natural Resources, to conduct a risk-analysis study of all available geothermal data.

There have been incidents when hydrogen sulfide has been accidentally released into the air by the wells at the Puna Geothermal facility on the island of Hawaii. Because hydrogen sulfide is known to be harmful to the health of human beings, these accidental emissions and the fear of further emissions have been the cause of concern for residents of the area.

Puna Geothermal Venture submitted testimony noting that several recent studies had been completed which contain much of the information being requested for risk-analysis study by this Resolution.

LRB suggested that the responsibility for compiling the report and handling studies for any needed information which is unavailable be assigned to an agency, other than LRB, which employs staff with the necessary expertise in engineering, toxicology, etc.

Your committee has amended this Resolution by requesting the U.S. Environmental Protection Agency to conduct the study rather than LRB. Your Committee has also used more specific language in requesting the study and investigation.

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

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 89, 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. 89, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 1080      Economic Development on S.C.R. No. 103**

The purpose of this Concurrent resolution is to request the Legislative Reference Bureau (LRB), with the assistance of the County of Hawaii and the Department of Land and Natural Resources, to conduct a risk-analysis study of all available geothermal data.

There have been incidents when hydrogen sulfide has been accidentally released into the air by the wells at the Puna Geothermal facility on the island of Hawaii. Because hydrogen sulfide is known to be harmful to the health of human beings, these accidental emissions and the fear of further emissions have been the cause of concern for residents of the area.

Puna Geothermal Venture submitted testimony noting that several recent studies had been completed which contain much of the information being requested for risk-analysis study by this Concurrent resolution.

LRB suggested that the responsibility for compiling the report and handling studies for any needed information which is unavailable be assigned to an agency, other than LRB, which employs staff with the necessary expertise in engineering, toxicology, etc.

Your committee has amended this Concurrent resolution by requesting the U.S. Environmental Protection Agency to conduct the study rather than LRB. Your Committee has also used more specific language in requesting the study and investigation.

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

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 103, 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. 103, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 1081      Economic Development on S.R. No. 81**

The purpose of this Resolution is to request the Office of the Auditor to examine the effectiveness of state and county grants issued to assist the Hamakua and Ka'u districts in economic development.

The gradual phase-out of sugar in the Hamakua and Ka'u districts have significantly destabilized the economic base of these areas. Because of these economic challenges, considerable support and efforts have been made to strengthen the economy by both state and federal governments, as well as the private sector.

An examination determining whether the grants have been effective, and whether the purposes of the grants are being fulfilled needs to be performed.

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

Your Committee has amended this Resolution by requesting that the effectiveness of contracts as well as grants issued to assist these districts be studied.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 81, 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. 81, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1082      Economic Development on S.C.R. No. 94**

The purpose of this Concurrent resolution is to request the Office of the Auditor to examine the effectiveness of state and county grants issued to assist the Hamakua and Ka'u districts in economic development.

The gradual phase-out of sugar in the Hamakua and Ka'u districts have significantly destabilized the economic base of these areas. Because of these economic challenges, considerable support and efforts have been made to strengthen the economy by both state and federal governments, as well as the private sector.

An examination determining whether the grants have been effective, and whether the purposes of the grants are being fulfilled needs to be performed.

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

Your Committee has amended this Concurrent resolution by requesting that the effectiveness of contracts as well as grants issued to assist these districts be studied.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 94, 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. 94, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1083      Economic Development on S.C.R. No. 99**

The purpose of this Concurrent resolution is to request the Department of Business, Economic Development, and Tourism to accomplish preliminary planning towards the development of a Pacific islands business development master plan to cover areas which include merchandise trade, services, tourism, and shipping.

Your Committee received testimony in favor of this Concurrent resolution from the Department of Business, Economic Development, and Tourism, and Pacific Jurisdictions. Increasing trade with the rest of the Pacific islands may play a vital role in Hawaii's future economic growth. Improving trade relations with all of our Pacific neighbors would not only stimulate our economy, but would also assist in the development of other island economies.

With trade becoming an increasingly important part of government policy both at home and abroad, it behooves the State to develop its own trade policies and plans.

Upon further consideration, your Committee has amended this Concurrent resolution by including part of the contents of S.C.R. No. 96 which requests the Governor to work toward better commercial relations with the Pacific islands. Your Committee feels that the purpose of S.C.R. No. 96 is very similar in nature to S.C.R. No. 99 and that merging the documents would be both effective and appropriate.

The ideas incorporated from S.C.R. No. 96 into S.C.R. No. 99 discuss Hawaii's geographic location as the hub of the Pacific island group economies, and the many Pacific island jurisdictions which need effective coordination and relationship-building efforts. Because the Governor is a member of two influential regional organizations, the Pacific Island Council of Leaders and the Pacific Basin Development Council, he is requested to work toward developing better commercial relations with the Pacific island jurisdictions in the creation of a development plan, and to report his efforts to the Legislature.

Your Committee has also made other amendments by rephrasing certain language and numbering items within the text of the document. The name "Republic of Western Samoa" has been amended to the "Independent State of Western Samoa", and New Zealand was added to Hawaii as one of the Pacific islands not included in the aggregate gross product of the Pacific islands. Your Committee has also requested that the Department of Business, Economic Development, and Tourism work with and seek the advice of the Governor on these matters.

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

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Transportation and Government Affairs, in the form attached hereto as S.C.R. No. 99, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 1084 Education on S.C.R. No. 90**

The purpose of this Concurrent resolution, as received by your Committee, is to request the Department of Education and the W.H. Shipman Company to enter into a real estate transaction agreement for the construction of an owner-built high school in Keaau, Hawaii.

Your Committee finds that the public school construction program has been backlogged, and thus all school districts lack adequate classrooms and support facilities. Your Committee further finds that the legislature has proposed and supported innovative mechanisms, such as public/private agreements for the acquisition of school facilities, especially in areas with classroom shortages and projected population growth as part of ongoing residential development.

Upon further consideration, your Committee has amended this measure by requesting the Department of Education and the W.H. Shipman Company to consider entering into an additional agreement for the construction of a separate owner-built elementary school, which has been part of the ongoing negotiations between the State and the developer.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90, 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. 90, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 1085 Education on S.C.R. No. 192**

The purpose of this Concurrent resolution is to request the establishment of an interim study group for the purposes of recodification of the education statutes.

Your Committee finds that title 18 of the Hawaii Revised Statutes sets forth various education policies which have been impacted by the ongoing systemic education reforms. Your Committee further finds that in order to realize certain reforms, the education statutes need to be reviewed, modified, and reorganized to reflect recent policy changes. Your Committee also recognizes, however, that further study and discussion needs to be undertaken prior to the actual implementation of such a recodification.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 192 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 1086 Education on S.C.R. No. 236**

The purpose of this Concurrent resolution is to request a study of Chapter 19, Title 8, Hawaii Administrative Rules, related to student discipline.

Your Committee finds that policies regarding student discipline need to be reviewed in light of recent education reform initiatives providing more school-level autonomy. Your Committee further finds that any proposals to reform statewide policy on student discipline need to consider the overlapping jurisdiction of other agencies, such as the prosecuting attorneys of the counties, as well as how to redirect students who may not fit into the traditional school framework.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 236 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

**SCRep. 1087 (Joint) Education and Agriculture, Labor, and Employment on S.C.R. No. 260**

The purpose of this Concurrent resolution is to request the Governor to develop a timetable for transferring the school-to-work transition center program from the Department of Labor and Industrial Relations to the Department of Education.

Your Committees find that the school-to-work transition programs serve as a link between public school students and businesses who employ them upon graduation from high school. Your Committees further find that the initial referrals and placements occur through Department of Education staff working with the students and employers, and thus the program should be appropriately placed within their jurisdiction.

As affirmed by the records of votes of the members of your Committees on Education and Agriculture, Labor, and Employment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 260 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Bunda, Solomon, Tam, Anderson).

**SCRep. 1088 Agriculture, Labor, and Employment on S.R. No. 15**

The purpose of this Resolution is to request the Employees' Retirement System to reinvest in South Africa in accordance with socially responsible guidelines and standards.

Your Committee finds that in April, 1994, South Africa conducted its first nonracial election, ushering in a new era of social reform. The resulting establishment of an apartheid-free democratic government has opened the door of freedom and opportunity to millions of formerly oppressed South Africans. However, in order for economic recovery and proliferation to occur, substantial outside investment must occur.

Your Committee also finds that every other state in the United States has begun reinvesting in South Africa, having responded to South African President Nelson Mandela's request to lift economic sanctions on his country.

Your Committee believes that the reinvestment of capital in South Africa is prudent at this juncture.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 15 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1089 Agriculture, Labor, and Employment on S.C.R. No. 18**

The purpose of this Concurrent resolution is to request the Employees' Retirement System to reinvest in South Africa in accordance with socially responsible guidelines and standards.

Your Committee finds that in April, 1994, South Africa conducted its first nonracial election, ushering in a new era of social reform. The resulting establishment of an apartheid-free democratic government has opened the door of freedom and opportunity to millions of formerly oppressed South Africans. However, in order for economic recovery and proliferation to occur, substantial outside investment must occur.

Your Committee also finds that every other state in the United States has begun reinvesting in South Africa, having responded to South African President Nelson Mandela's request to lift economic sanctions on his country.

Your Committee believes that the reinvestment of capital in South Africa is prudent at this juncture.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1090 Agriculture, Labor, and Employment on S.R. No. 138**

The purpose of this Resolution is to request the Employees' Retirement System to examine certain increases in both the contributory and noncontributory retirement benefits formulae.

Specifically, the Resolution requests the Employees' Retirement System to study, investigate, and evaluate the impact on the retirement system if the percentage factor of the retirement benefits formula is raised for non-contributory employees from one and one-fourth percent to one and two-fifths percent, or one and one-half percent, and an equitably equivalent increase is made in the formula for contributory employees.

Your Committee finds that many state and county employees hope to be able to live reasonably comfortably on moneys received from the Federal Social Security System and the State of Hawaii Employees' Retirement System. However, over the years, Federal Social Security benefits have been slowly yet consistently diminishing. In order to live comfortably in their retirement, people should receive a retirement compensation of approximately two-thirds of the gross income that they had prior to their retirement.

Your Committee also finds that under the current formulae, prospective retirants covered by the Employees' Retirement System may not accrue sufficient retirement pensions to adequately meet their financial needs.

Your Committee believes that this study is necessary to accurately ascertain the fiscal ramifications of providing prospective retirants covered under the Employees' Retirement System with a larger pension when they retire.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 138 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1091      Agriculture, Labor, and Employment on S.C.R. No. 158**

The purpose of this Concurrent resolution is to request the Employees' Retirement System to examine certain increases in both the contributory and noncontributory retirement benefits formulae.

Specifically, the Concurrent resolution requests the Employees' Retirement System to study, investigate, and evaluate the impact on the retirement system if the percentage factor of the retirement benefits formula is raised for non-contributory employees from one and one-fourth percent to one and two-fifths percent, or one and one-half percent, and an equitably equivalent increase is made in the formula for contributory employees.

Your Committee finds that many state and county employees hope to be able to live reasonably comfortably on moneys received from the Federal Social Security System and the State of Hawaii Employees' Retirement System. However, over the years, Federal Social Security benefits have been slowly yet consistently diminishing. In order to live comfortably in their retirement, people should receive a retirement compensation of approximately two-thirds of the gross income that they had prior to their retirement.

Your Committee also finds that under the current formulae, prospective retirants covered by the Employees' Retirement System may not accrue sufficient retirement pensions to adequately meet their financial needs.

Your Committee believes that this study is necessary to accurately ascertain the fiscal ramifications of providing prospective retirants covered under the Employees' Retirement System with a larger pension when they retire.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1092      Agriculture, Labor, and Employment on S.R. No. 139**

The purpose of this Resolution is to request the Employees' Retirement System to study, investigate, and evaluate the impact on the Employees' Retirement System if employees could retire when the combination of their age plus their years of service equalled eighty.

Your Committee finds that the Seventeenth Legislature of the State of Hawaii in 1994 enacted Act 212 to allow any employee with at least twenty-five years of service by December 31, 1994 and no age criteria to retire without any penalty. That meant that hypothetically, a person as young as forty-three years of age could have retired by December 31, 1994.

Your Committee also finds that for statistical purposes, the Employees' Retirement System assumes a person should live to age eighty-five, thereby theoretically meaning that the Retirement System would be paying this forty-three-year-old retiree for forty-two years (instead of the theoretical thirty years if the person had retired at age fifty-five).

In an effort to streamline government staffing through attrition and yet not be a burden to the Employees' Retirement System, this "Formula-80" scenario has been proposed to the Governor and the Legislature. This proposal involves a combination of an employee's number of years of service plus an employee's age that equalled the value of eighty.

Your Committee further finds that in working through a hypothetical example of an employee at age fifty having thirty years of service, an employee of the Retirement System computed that the Retirement System would save a few thousand

dollars each year by paying this hypothetical retiree a smaller per cent over a few more years than a larger per cent over slightly fewer years. However, this computation did not include other retirement benefits, such as paid medical benefits, as a factor in the proposal. This study would request such an inclusion.

Your Committee believes that this study would help ascertain the cost ramifications and feasibility of providing such an early retirement option.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 139 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1093      Agriculture, Labor, and Employment on S.C.R. No. 159**

The purpose of this Concurrent resolution is to request the Employees' Retirement System to study, investigate, and evaluate the impact on the Employees' Retirement System if employees could retire when the combination of their age plus their years of service equalled eighty.

Your Committee finds that the Seventeenth Legislature of the State of Hawaii in 1994 enacted Act 212 to allow any employee with at least twenty-five years of service by December 31, 1994 and no age criteria to retire without any penalty. That meant that hypothetically, a person as young as forty-three years of age could have retired by December 31, 1994.

Your Committee also finds that for statistical purposes, the Employees' Retirement System assumes a person should live to age eighty-five, thereby theoretically meaning that the Retirement System would be paying this forty-three-year-old retiree for forty-two years (instead of the theoretical thirty years if the person had retired at age fifty-five).

In an effort to streamline government staffing through attrition and yet not be a burden to the Employees' Retirement System, this "Formula-80" scenario has been proposed to the Governor and the Legislature. This proposal involves a combination of an employee's number of years of service plus an employee's age that equalled the value of eighty.

Your Committee further finds that in working through a hypothetical example of an employee at age fifty having thirty years of service, an employee of the Retirement System computed that the Retirement System would save a few thousand dollars each year by paying this hypothetical retiree a smaller per cent over a few more years than a larger per cent over slightly fewer years. However, this computation did not include other retirement benefits, such as paid medical benefits, as a factor in the proposal. This study would request such an inclusion.

Your Committee believes that this study would help ascertain the cost ramifications and feasibility of providing such an early retirement option.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1094      Agriculture, Labor, and Employment on S.R. No. 256**

The purpose of this Resolution is to urge a concerted state effort to review and assess illegal (back yard) slaughter operations and to develop an enforcement plan to stop these activities.

Your Committee finds that the slaughtering by individuals of their own animals and the preparation of the meat therefrom for personal use is permitted under chapter 159, Hawaii Revised Statutes. However, your Committee also finds that unwholesome, adulterated, mislabeled, and improperly packaged meat products have been discovered in commerce.

Your Committee believes that it is in the public interest that the health and welfare of consumers be protected by assuring that the meat and meat food products distributed to them are wholesome, not adulterated, and properly labeled and packaged.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 256 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1095      Agriculture, Labor, and Employment on S.C.R. No. 304**

The purpose of this Concurrent resolution is to urge a concerted state effort to review and assess illegal (back yard) slaughter operations and to develop an enforcement plan to stop these activities.

Your Committee finds that the slaughtering by individuals of their own animals and the preparation of the meat therefrom for personal use is permitted under chapter 159, Hawaii Revised Statutes. However, your Committee also finds that unwholesome, adulterated, mislabeled, and improperly packaged meat products have been discovered in commerce.

Your Committee believes that it is in the public interest that the health and welfare of consumers be protected by assuring that the meat and meat food products distributed to them are wholesome, not adulterated, and properly labeled and packaged.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 304 and recommends that it be referred to the Committee on Judiciary.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1096      Judiciary on S.R. No. 74**

The purpose of this Resolution is to request the governor to convene public hearings prior to amending or restricting funds allocated to programs or expenditure items in any budget passed by the legislature.

Your Committee finds that the legislative process was designed to encourage public participation in the decision-making process of the State. Public hearings held by the various committees of the legislature enable decision-makers to formulate budgetary decisions and actions that are responsive to the concerns of the public. In contrast, however, decisions made by the governor to restrict or reduce funding to programs and budgetary items in the state budget are made without public or legislative input.

Your Committee finds that because of the recent change in administration, the executive branch should be given a reasonable period of time to open new lines of communication with the legislature on actions of this nature. In this regard, your Committee has amended the text as well as the title of this Resolution to request the governor to develop new methods to communicate with the legislature prior to restricting or reducing the funds allocated to programs or budgetary items by the legislature in the state budget. The Resolution has also been amended to encourage the governor to use these new methods prior to making any changes to the fiscal year 1995-1996 budget.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 74, 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. 74, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1097      Judiciary on S.C.R. No. 87**

The purpose of this Concurrent resolution is to request the governor to convene public hearings prior to amending or restricting funds allocated to programs or expenditure items in any budget passed by the legislature.

Your Committee finds that the legislative process was designed to encourage public participation in the decision-making process of the State. Public hearings held by the various committees of the legislature enable decision-makers to formulate budgetary decisions and actions that are responsive to the concerns of the public. In contrast, however, decisions made by the governor to restrict or reduce funding to programs and budgetary items in the state budget are made without public or legislative input.

Your Committee finds that because of the recent change in administration, the executive branch should be given a reasonable period of time to open new lines of communication with the legislature on actions of this nature. In this regard, your Committee has amended the text as well as the title of this Concurrent resolution to request the governor to develop new methods to communicate with the legislature prior to restricting or reducing the funds allocated to programs or budgetary items by the legislature in the state budget. The Concurrent resolution has also been amended to encourage the governor to use these new methods prior to making any changes to the fiscal year 1995-1996 budget.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 87, 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. 87, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1098      Transportation and Government Affairs on S.C.R. No. 154**

The purpose of this Concurrent resolution is to request the Governor to form a Commission to study and evaluate overlapping functions and fiscal imbalance between the State and the Counties.

Testimony in support of this Concurrent resolution was submitted by the City and County of Honolulu.

Your Committee amended this Concurrent resolution to provide that directors of the various State and County agencies would not be on the Commission, but would serve as technical advisors to the Commission. Membership of the Commission was revised to consist of the Senate President, the Speaker of the House, the Mayors, the County Councils, and an appointee of the Governor to serve as the chair so as to make the Commission a policy level commission generally formed of elected officials. The Concurrent resolution was also amended to provide that all persons involved in the Commission would receive a certified copy of the Concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 154, 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. 154, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1099 Higher Education, Culture, and Arts on S.C.R. No. 48**

The purpose of this Concurrent resolution is to request the board of regents of the University of Hawaii to review its policies on granting nonresident tuition differential waivers.

Your Committee finds that chapter 304-4, Hawaii Revised Statutes, authorizes several nonresident tuition differential waivers for Asian and Pacific students. Though there are several qualified Asian and Pacific Rim students who are granted the \$1,500 to \$2,000 per semester waiver, some do not have a financial need or burden, thereby undermining the purpose of the tuition waiver. Your Committee believes that tuition benefits need to be directed to those students with relative financial need.

Your Committee has amended the Concurrent resolution to reflect current state budget constraints by inserting language to stress that all tuition waivers granted by the University may only be awarded to qualified students with a financial need or burden. Your Committee has made further amendments to delete all references to "Asian and Pacific Rim".

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48, 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. 48, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, McCartney).

**SCRep. 1100 Higher Education, Culture, and Arts on S.R. No. 110**

The purpose of this Resolution is to honor the Hansen's disease patients sent to Kalaupapa on Molokai by urging the National Park service and the Office of Hawaiian Affairs to design and mount a plaque at the Kalaupapa peninsula on the island Molokai.

Your Committee finds that between the years of 1866 and 1969 more than 8,000 person's afflicted with Hansen's disease were sent to the Kalaupapa peninsula to spend the rest of their lives in isolation without even the most basic necessities of everyday life. The courage and perseverance of those persons is a source of pride and strength to the strong Kalaupapa community of today. A plaque to honor the Hansen's disease patients would help to further inspire and educate the present and future generations of their story.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 110 and recommends that it be referred to the Committee on Hawaiian Affairs.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ikeda, McCartney).

**SCRep. 1101 Higher Education, Culture, and Arts on S.C.R. No. 126**

The purpose of this Concurrent Resolution is to honor the Hansen's disease patients sent to Kalaupapa on Molokai by urging the National Park service and the Office of Hawaiian Affairs to design and mount a plaque at the Kalaupapa peninsula on the island Molokai.

Your Committee finds that between the years of 1866 and 1969 more than 8,000 person's afflicted with Hansen's disease were sent to the Kalaupapa peninsula to spend the rest of their lives in isolation without even the most basic necessities of everyday life. The courage and perseverance of those persons is a source of pride and strength to the strong Kalaupapa community of today. A plaque to honor the Hansen's disease patients would help to further inspire and educate the present and future generations of their story.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 and recommends that it be referred to the Committee on Hawaiian Affairs.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ikeda, McCartney).

**SCRep. 1102 Higher Education, Culture, and Arts on S.R. No. 112**

The purpose of this Resolution is to urge the department of land and natural resources to acquire the seventeen-acre parcel known as the Keakealaniwahine Residence (TMK: 7-7-04:11) and the five-acre parcel known as the Kaumalumalu Complex (TMK: 7-7-04:3) for purposes of completing the Keolonahihi State Historical Park (Cultural Site).

Your Committee finds that at present, the Keolonahihi State Historical Park in Kona represents only one-half of the historically significant ancient Hawaiian complex known as the Holualoa residence. Without protection by the State, the other half of this culturally significant and sacred Hawaiian ground, constructed twenty-two generations before Kamehameha I, is vulnerable to private interests.

Your Committee has amended the Resolution to include language that the acquisition of the lands shall be through a land exchange not to include "ceded lands" or a low cost option to be specified at a later date. Your Committee has also amended the title and contents to make all references to Keolonahihi consistent.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 112, 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. 112, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ikeda, McCartney).

**SCRep. 1103 Higher Education, Culture, and Arts on S.C.R. No. 129**

The purpose of this Concurrent Resolution is to urge the department of land and natural resources to acquire the seventeen-acre parcel known as the Keakealaniwahine Residence (TMK: 7-7-04:11) and the five-acre parcel known as the Kaunalualu Complex (TMK: 7-7-04:3) for purposes of completing the Keolonahihi State Historical Park (Cultural Site).

Your Committee finds that at present, the Keolonahihi State Historical Park in Kona represents only one-half of the historically significant ancient Hawaiian complex known as the Holualoa residence. Without protection by the State, the other half of this culturally significant and sacred Hawaiian ground, constructed twenty-two generations before Kamehameha I, is vulnerable to private interests.

Your Committee has amended the Concurrent Resolution to include language that the acquisition of the lands shall be through a land exchange not to include "ceded lands" or a low cost option to be specified at a later date. Your Committee has also amended the title and contents to make all references to Keolonahihi consistent.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 129, 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. 129, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ikeda, McCartney).

**SCRep. 1104 Higher Education, Culture, and Arts on S.C.R. No. 252**

The purpose of this Concurrent Resolution is to update the audit conducted in 1973 of the policies and practices of the University of Hawaii relating to the assignment and administration of faculty workloads.

Your Committee finds that the faculty of the University represents a major resource in the accomplishment of higher education objectives, and faculty workloads significantly influence the requirements for instructional resources and facilities and the University's budget. The last audit was conducted more than twenty years ago and it presumably does not reflect the current policies and practices of the University relating to the assignment and administration of faculty workloads.

Your Committee has amended the Concurrent Resolution to include language to reflect the University's current position that faculty workload is a three-fold mission of instruction, research, and public service, and that the updated review of faculty workload shall be based on that premise.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 252, 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. 252, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ikeda, McCartney).

**SCRep. 1105 Higher Education, Culture, and Arts on S.C.R. No. 297**

The purpose of this Concurrent Resolution is to request an audit of the Hawaii Theater Center to ensure that funds appropriated by the legislature have been spent in accordance with the legislative intent.

Your Committee finds that restoration of the Hawaii Theater Center has been going on for more than ten years and will cost more than \$22,000,000 to complete. The legislature has already appropriated \$12,400,000 for the project that was initially to be a \$5,500,000 restoration.

Your Committee has amended the Concurrent Resolution to:

- (1) Reflect that the legislature appropriated \$13,400,000, not \$14,000,000, for the restoration of the Hawaii Theater Center;
- (2) Delete the reference to "standards for historic preservation" in the BE IT RESOLVED clause since this is outside the scope of the Office of the Auditor; and
- (3) Delete the reference in the BE IT RESOLVED clause to the promise for a facility with a seating capacity of 1,400 individuals.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 297, 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. 297, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ikeda, McCartney, Taniguchi).

**SCRep. 1106 Agriculture, Labor, and Employment on S.R. No. 122**

The purpose of this Resolution is to request the development and implementation of an aggressive tax incentive program to rebuild the agricultural capabilities of the State with a goal toward self-sufficiency.

Your Committee finds that although diversified crop production has increased, supply fails to meet demand, and lack of market competitiveness based on the relatively high costs of land, labor, and other farm inputs does not encourage increasing production. Your Committee further finds that one way to address the supply and demand problem is to offer incentives to make local agriculture a viable enterprise.

Upon further consideration, your Committee has amended this measure by requesting that the Department of Agriculture, in consultation with the Department of Taxation, develop an aggressive policy, which may include tax incentives, to rebuild the agricultural capabilities within the State and thereby reduce the State's dependence on food shipments from the continental United States.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 122, 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. 122, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1107 Agriculture, Labor, and Employment on S.C.R. No. 139**

The purpose of this Concurrent Resolution is to request the development and implementation of an aggressive tax incentive program to rebuild the agricultural capabilities of the State with a goal toward self-sufficiency.

Your Committee finds that although diversified crop production has increased, supply fails to meet demand, and lack of market competitiveness based on the relatively high costs of land, labor, and other farm inputs does not encourage increasing production. Your Committee further finds that one way to address the supply and demand problem is to offer incentives to make local agriculture a viable enterprise.

Upon further consideration, your Committee has amended this measure by requesting that the Department of Agriculture, in consultation with the Department of Taxation, develop an aggressive policy, which may include tax incentives, to rebuild the agricultural capabilities within the State and thereby reduce the State's dependence on food shipments from the continental United States.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 139, 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. 139, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1108 Agriculture, Labor, and Employment on S.R. No. 168**

The purpose of this Resolution is to request that the State Director of Finance investigate the State's and the counties' future actuarial liability for employer retiree contributions to the Public Employees Health Fund (Fund).

The requested study would include but not be limited to:

- (1) Investigating whether it would be feasible and beneficial to prefund the public employers' liability; and
- (2) Explore different funding, eligibility requirements, benefit structures, and the actuarial effect of these alternatives, including but not limited to:
  - (a) Further restructuring of employer contribution rates for retirees;

- (b) Changing the employer contribution rate structure from a percentage basis to flat dollar amounts with stated limitations on annual increases;
- (c) Reducing or deferring employer contributions for retired public employees who are covered or eligible for coverage under another employer sponsored plan;
- (d) Reducing employer contribution rates or benefit levels for retired public employees under age sixty-five;
- (e) Further adjusting employer contribution rates for dependents of retired public employees;
- (f) Methods to and benefits of "portability" of health care coverage; and
- (g) Evaluation of actuarial liabilities and funding costs for post-retirement health care benefits at present benefit levels or as modified.

Your Committee finds that Hawaii enjoys the reputation of ensuring a large percentage of its adult population with health care insurance made possible in part by the Public Employees Health Fund (Fund). Under the provisions of the Fund, public employers pay for one hundred percent of the premiums for the medical, drug, vision, and adult dental plans for all employees who retire with ten years or more years of service. For retired employees having fewer than ten years credited service and their dependent-beneficiaries, public employers pay fifty percent of this coverage.

Your Committee also finds that according to a report prepared by the Segal Company in November 1993 (Segal Report), the "contribution structure for [Hawaii's] retired employees and their dependents is generous in comparison to most other states." The Segal Report additionally noted that "only four [other] states pay the full cost of medical coverage for retirees and their dependents."

Your Committee further finds that the State and counties public employers' cost of providing health fund benefits for retirees has steadily increased -- from \$20,204,043 in fiscal year 1984 to an estimated \$98,000,000 in fiscal year 1995 and in 1988 the unfunded liability of the State of Hawaii was estimated at \$953,000,000.

Your Committee believes that to ensure continued payments of vested benefits in these tight budgetary times, it is imperative that the State and its counties' plan for future expenditures including payments of health benefits for retired state and county employees. To this end, your Committee believes that this study is necessary.

Your Committee has amended the text and title of Resolution to request that the Legislative Reference Bureau conduct the study rather than the Director of Finance.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 168, 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. 168, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 1109      Agriculture, Labor, and Employment on S.C.R. No. 190**

The purpose of this Concurrent Resolution is to request that the State Director of Finance investigate the State's and the counties' future actuarial liability for employer retiree contributions to the Public Employees Health Fund (Fund).

The requested study would include but not be limited to:

- (1) Investigating whether it would be feasible and beneficial to prefund the public employers' liability; and
- (2) Explore different funding, eligibility requirements, benefit structures, and the actuarial effect of these alternatives, including but not limited to:
  - (a) Further restructuring of employer contribution rates for retirees;
  - (b) Changing the employer contribution rate structure from a percentage basis to flat dollar amounts with stated limitations on annual increases;
  - (c) Reducing or deferring employer contributions for retired public employees who are covered or eligible for coverage under another employer sponsored plan;
  - (d) Reducing employer contribution rates or benefit levels for retired public employees under age sixty-five;
  - (e) Further adjusting employer contribution rates for dependents of retired public employees;
  - (f) Methods to and benefits of "portability" of health care coverage; and
  - (g) Evaluation of actuarial liabilities and funding costs for post-retirement health care benefits at present benefit levels or as modified.

Your Committee finds that Hawaii enjoys the reputation of ensuring a large percentage of its adult population with health care insurance made possible in part by the Public Employees Health Fund (Fund). Under the provisions of the Fund, public employers pay for one hundred percent of the premiums for the medical, drug, vision, and adult dental plans for all employees who retire with ten years or more years of service. For retired employees having fewer than ten years credited service and their dependent-beneficiaries, public employers pay fifty percent of this coverage.

Your Committee also finds that according to a report prepared by the Segal Company in November 1993 (Segal Report), the "contribution structure for [Hawaii's] retired employees and their dependents is generous in comparison to most other states." The Segal Report additionally noted that "only four [other] states pay the full cost of medical coverage for retirees and their dependents."

Your Committee further finds that the State and counties public employers' cost of providing health fund benefits for retirees has steadily increased -- from \$20,204,043 in fiscal year 1984 to an estimated \$98,000,000 in fiscal year 1995 and in 1988 the unfunded liability of the State of Hawaii was estimated at \$953,000,000.

Your Committee believes that to ensure continued payments of vested benefits in these tight budgetary times, it is imperative that the State and its counties' plan for future expenditures including payments of health benefits for retired state and county employees. To this end, your Committee believes that this study is necessary.

Your Committee has amended the text and title of Concurrent Resolution to request that the Legislative Reference Bureau conduct the study rather than the Director of Finance.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190, 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. 190, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 1110      Agriculture, Labor, and Employment on S.C.R. No. 202**

The purpose of this Concurrent Resolution is to urge the Governor and the Department of Human Resources Development to expedite the implementation of a "cafeteria" health benefits plan for public employees.

Your Committee finds that Act 63, Session Laws of Hawaii 1989, was enacted by the Legislature to authorize the State and counties to establish cafeteria plans within the meaning of section 125 of the Internal Revenue Code of 1986, as amended. A cafeteria plan provides an employee with a basic core of benefits such as medical and life insurance coverages, plus the opportunity to purchase supplemental coverages (higher level of medical coverage, additional group life coverages, or dependent life coverage) or additional benefits (dental plan, prescription drug plan, vision care, prepaid legal, or dependent care), or to take a cash allowance.

Since the Governor assigned the responsibility for the implementation and operation of the cafeteria plan to the Department of Human Resources Development (Department) in 1990, the Department has implemented the premium conversion plan which provides for the reduction of an employee's gross pay by the amount of contributions the employee makes toward any health benefits plans and the payment of the health benefits plan contributions by the employer.

While employees who have enrolled in the premium conversion plan have been paying less federal and state income taxes and Social Security taxes with an increase in take-home pay, more tax savings and increases in take-home pay could be realized if the State had a comprehensive cafeteria plan in effect.

Your Committee believes that further steps should be taken to provide public employees with these benefits.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 202 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 1111      (Joint) Transportation and Government Affairs and Judiciary on S.C.R. No. 266**

The purpose of this Concurrent Resolution is to request that the Legislative Reference Bureau:

- (1) Conduct a feasibility study on transferring the Traffic Violations Bureaus to the various counties;
- (2) Resolve associated issues involved in establishing a traffic violations bureau in each county; and
- (3) Report its findings, together with any proposed legislation, to the Legislature twenty days prior to the convening of the 1996 regular session.

Favorable testimony was submitted by the City and County of Honolulu. Your Committees are aware of the great interest in this issue. Traffic violations are currently enforced by each county but all fines and forfeitures are deposited into the State's general fund. The counties, particularly in these hard economic times, are interested in these fines and forfeitures if only to recoup their enforcement costs. A study of the feasibility of such a transfer appears to be very appropriate at this time.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 266 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Chumbley, Matsuura, McCartney, Solomon, Taniguchi).

**SCRep. 1112      Agriculture, Labor, and Employment on S.C.R. No. 203**

The purpose of this Concurrent Resolution is to request the Auditor to conduct a study of workers' compensation claims against the State.

The purpose of the study is to improve the efficiency, cost effectiveness, and accountability in processing workers' compensation claims of state workers.

Under present procedures for funding workers' compensation claims by state workers, an appropriation is made by the Legislature to the Department of Human Resources Development, which pays the workers' compensation benefits for all employees in all branches of state government who are paid from the general fund. However, only 43 per cent of the expenditures from the appropriation go to cover the 17 executive branch agencies. The remaining 57 per cent go to cover the University of Hawaii, the Judiciary, the Legislature, and the other three executive Departments of Defense, Human Services, and Education (neighbor islands). Consequently, the Department of Human Resources Development has no control over the benefits expenditure of this 57 per cent and yet must manage those claims on behalf of the State. This has resulted in an overload of claims cases being handled by the Department of Human Resources Development.

This Concurrent Resolution asks the Auditor to study this situation, including the State's unfunded liability for workers' compensation, reserving practices, and reinsurance, and to make recommendations to improve the system for handling workers' compensation claims for state employees.

Your Committee has amended this Concurrent Resolution on the recommendation of the Department of Human Resources Development to:

- (1) Clarify that the Auditor is to conduct the study;
- (2) Include the advisability of having the Research Corporation of the University of Hawaii, the Judiciary, the University of Hawaii, and the Department of Education manage their own claims and appropriation; and
- (3) Include in the study those agencies presently managing their own workers' compensation claims.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 203, 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. 203, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1113      Transportation and Government Affairs on S.C.R. No. 214**

The purpose of this Concurrent Resolution is to request the Governor to form an advisory Maritime Policy Investigative Commission within the Governor's Office to investigate, among other things, the advantages and disadvantages of establishing a maritime authority to determine statewide maritime policy, a port authority to implement and administer maritime policy, a state water carrier's loan program, or a port marketing program, and of structuring of the formal relationships among these programs.

Supporting testimony was received from the Chamber of Commerce of Hawaii, Pacific Maritime Agencies, and Sea Land Services Inc. The Hawaii Pilots Association submitted testimony in support of the overall purpose of the Concurrent Resolution.

Your Committee has amended the Concurrent Resolution by:

- (1) Amending the title to refer to the Hawaii Maritime Industry Policy Task Force which better reflects the nature of the advisory body being formed;
- (2) Deleting references to "airports" since they are not addressed by the substance of the Concurrent Resolution;
- (3) Expanding and altering the membership of the Task Force; and
- (4) Making other stylistic nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 214, 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. 214, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1114      Transportation and Government Affairs on S.C.R. No. 258**

The purpose of this Concurrent Resolution is to request that the Governor:

- (1) With the assistance of the State Civil Defense Agency, review S.B. No. 454 introduced during the Eighteenth Legislature and review Administrative Directive No. 89-02 to determine whether the Directive should be amended by provisions similar to S.B. No. 454;
- (2) Submit his findings to the Legislature twenty days prior to the convening of the 1996 Regular Session; and
- (3) Take all necessary steps to ensure that employees are periodically informed about Administrative Directive No. 89-02.

Testimony in opposition was received from the Department of Education which felt that automatic closing of schools upon a tsunami warning was not warranted. Testimony was also received from the Department of Defense which indicated that a blanket policy would not be appropriate depending on factors such as the location of the earthquake giving rise to the tsunami. For example, a tsunami resulting from a quake occurring off the coast of Chile would take fifteen hours to reach the islands whereas a local quake would perhaps allow less than an hour to respond to any tsunami danger. The Department indicated that administrative review by the counties and the State for clarity would be appropriate.

Your Committee has amended this Concurrent Resolution to:

- (1) Amend the title and the BE IT RESOLVED clause to reflect that the Director of Human Resources Development, not the Governor, shall conduct the review with cooperation from the Director of Civil Defense, other state and county agencies, and the Judiciary;
- (2) Replace the term and concept of "essential employee" with "disaster response employee";
- (3) Request that the State and counties identify and train disaster response employees as to their responsibilities; and
- (4) Advise nondisaster response employees of what they are to do in case of a tsunami warning.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 258, as amended herein, and recommends that it be referred to the Committee on Agriculture, Labor, and Employment, in the form attached hereto as S.C.R. No. 258, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1115      Executive and Judicial Appointments on Gov. Msg. No. 128**

Recommending that the Senate advise and consent to the nomination of JAMES J. NAKATANI as Chairperson, Board of Agriculture, term to expire December 31, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1116      Executive and Judicial Appointments on Gov. Msg. No. 129**

Recommending that the Senate advise and consent to the nomination of MARGERY S. BRONSTER as Attorney General, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tanaka).

**SCRep. 1117      Executive and Judicial Appointments on Gov. Msg. No. 140**

Recommending that the Senate advise and consent to the nomination of GEORGE IRANON as Director of Public Safety, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tanaka).

**SCRep. 1118      Executive and Judicial Appointments on Gov. Msg. No. 143**

Recommending that the Senate advise and consent to the nomination of GARY GILL as Director of Environmental Quality Control, terms to expire June 30, 1995 and June 30, 1999.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tanaka).

**SCRep. 1119      Planning, Land and Water Use Management on S.R. No. 226**

The purpose of this Resolution is to authorize the Board of Land and Natural Resources to issue a lease for the private development of certain fast and submerged lands at Honokohau, Hawaii, for harbor expansion and related purposes.

Your Committee notes that there is a severe shortage of recreational and commercial boating facilities on the Island of Hawaii. Your Committee further notes that there is a critical need for an efficient, cost effective, and environmentally appropriate means of supplying fuel to West Hawaii. The expansion of existing facilities at Honokohau Harbor along with related commercial development would be the ideal solution to both of these problems.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 226 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 1120 Planning, Land and Water Use Management on S.C.R. No. 262**

The purpose of this Concurrent Resolution is to authorize the Board of Land and Natural Resources to issue a lease for the private development of certain fast and submerged lands at Honokohau, Hawaii, for harbor expansion and related purposes.

Your Committee notes that there is a severe shortage of recreational and commercial boating facilities on the Island of Hawaii. Your Committee further notes that there is a critical need for an efficient, cost effective, and environmentally appropriate means of supplying fuel to West Hawaii. The expansion of existing facilities at Honokohau Harbor along with related commercial development would be the ideal solution to both of these problems.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 262 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 1121 Planning, Land and Water Use Management on S.C.R. No. 198**

The purpose of this Concurrent Resolution is to create a task force to study the potential uses of the Wahiawa Reservoir to prepare for the likely possibility of transfer of ownership of the Wahiawa Reservoir to the State of Hawaii.

Based on testimony received at the hearing, your Committee has amended this Concurrent Resolution to:

- (1) Indicate that the Waiialua Sugar Company has announced its intent to shut down only sugar operations, and not all agriculture operations in the area;
- (2) Delete language that the Waiialua Sugar Company will cease to need the waters within the Wahiawa Reservoir;
- (3) Delete language relating to the State's acquisition of the Wahiawa Reservoir;
- (4) Provide that a task force should be established to develop and recommend an approach to resource management and policy issues regarding the Wahiawa Reservoir;
- (5) Require that a representative of the Mayor of the City and County of Honolulu sit on the task force, rather than a representative of the Environmental Advisor to the Mayor;
- (6) Require that the Chief Planning Officer of the City and County of Honolulu, and representatives from the City and County of Honolulu Board of Water Supply, the Wahiawa Neighborhood Board No. 26, and other appropriate state and county agencies sit on the task force; and
- (7) Require that the task force also specifically examine the conclusions and recommendations made in the Dam Safety Inspection report for Wahiawa Dam, Oahu, Hawaii, dated January 1995, prepared for the Department of Land and Natural Resources Division of Water and Land Development ("Report"), the cost of implementing the recommendations proposed in the Report, and the party or parties who will be ultimately responsible for the operation, maintenance, and liability for the Dam.

Finally, based on testimony received from Representative Marcus Oshiro, your Committee has amended this Concurrent Resolution to correct references to the "Kaiaka Bay Conservation Group" and "Association of Freshwater Sport Fishermen" to reflect their proper names of "Kaiaka Waiialua Hydrologic Unit Area Project, Natural Resources Conservation Service" and "Association of Freshwater Sport Anglers", respectively.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 1122 (Joint) Planning, Land and Water Use Management and Ecology and Environmental Protection on S.C.R. No. 223**

The purpose of this Concurrent Resolution is to request that certain governmental agencies conduct a review and assessment of the problem in the Paukauila streambank and riparian area, and a cost-benefit analysis of remedial actions. Further, this Concurrent Resolution requests that the governmental agencies work with the North Shore Neighborhood Board No. 2 Ad-hoc Committee on the Paukauila streambank project to implement measures to correct the problem.

Based on testimony received at the hearing, current budgetary and personnel constraints would preclude the Department of Land and Natural Resources and the Department of Health from preparing a cost-benefit analysis, and implementing measures to correct the problem. Thus, your Committees have amended this Concurrent Resolution to reduce the fiscal impacts on these agencies by requiring that:

- (1) The Department of Land and Natural Resources Flood Control Branch, along with interested North Shore Community Associations, assist the newly formed Paukauila Streambank and Riparian Area Community Restoration Project (PSP) by providing information, expertise and support; and
- (2) Certain governmental agencies specified in the Concurrent Resolution coordinate efforts to prepare and present a report detailing short term and long term remedial actions to correct the problem; and to work with the PSP Ad-hoc Committee to recommend a restoration plan and assist the various government agencies in the implementation of the recommendation.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Ecology and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 223, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 223, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Aki, Ikeda, Tanaka).

**SCRep. 1123 Planning, Land and Water Use Management on S.R. No. 208**

The purpose of this Resolution is to request that a strategic vision be drafted for the State of Hawaii, and that "benchmarks" be developed to further this strategic vision.

Your Committee finds that there is a need for the State to develop an innovative approach towards shaping its future and accurately measuring its accomplishments over time.

Based on testimony received from the Office of State Planning, your Committee also finds that the Office of State Planning and other appropriate organizations should participate in developing the strategic vision and appropriate "benchmarks."

Further, your Committee finds that the development of the strategic vision and "benchmarks" should be tied into the Hawaii State Plan formulated pursuant to chapter 226, Hawaii Revised Statutes.

Your Committee has amended this Resolution to:

1. Provide that the development of the strategic vision for the State of Hawaii and appropriate "benchmarks" be tied into the Hawaii State Plan formulated pursuant to chapter 226, Hawaii Revised Statutes;
2. Request that the Office of State Planning interact with the task force established by the Aloha United Way, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the Hawaii Community Foundation, and the Hawaii Community Services Council; and other appropriate agencies in developing the strategic vision and "benchmarks"; and
3. Consolidate the report requirements in the Resolution and require the Office of State Planning to submit to the Legislature a report to include a vision statement, key categories of "benchmarks," "benchmarks" in each key category that will ensure accomplishment of the vision statement, and a recommendation for a structural mechanism to provide on-going monitoring of the "benchmarks."

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

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 208, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 208, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 1124 Planning, Land and Water Use Management on S.C.R. No. 238**

The purpose of this Concurrent Resolution is to request that a strategic vision be drafted for the State of Hawaii and that "benchmarks" be developed to further this strategic vision.

Your Committee finds that there is a need for the State to develop an innovative approach towards shaping its future and accurately measuring its accomplishments over time.

Based on testimony received from the Office of State Planning, your Committee also finds that the Office of State Planning and other appropriate organizations should participate in developing the strategic vision and appropriate "benchmarks."

Further, your Committee finds that the development of the strategic vision and "benchmarks" should be tied into the Hawaii State Plan formulated pursuant to chapter 226, Hawaii Revised Statutes.

Your Committee has amended this Concurrent Resolution to:

1. Provide that the development of the strategic vision for the State of Hawaii and appropriate "benchmarks" be tied into the Hawaii State Plan formulated pursuant to chapter 226, Hawaii Revised Statutes;
2. Request that the Office of State Planning interact with the task force established by the Aloha United Way, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the Hawaii Community Foundation, and the Hawaii Community Services Council; and other appropriate agencies in developing the strategic vision and "benchmarks"; and
3. Consolidate the report requirements in the Concurrent Resolution and require the Office of State Planning to submit to the Legislature a report to include a vision statement, key categories of "benchmarks," "benchmarks" in each key category that will ensure accomplishment of the vision statement, and a recommendation for a structural mechanism to provide on-going monitoring of the "benchmarks."

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

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 238, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 238, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

#### **SCRep. 1125 Planning, Land and Water Use Management on S.R. No. 219**

The purpose of this Resolution is to request the Department of Business, Economic Development and Tourism to work with the Land Use Commission to develop a definition of, and requirements for, "greenways" which will be used by the Land Use Commission in considering applications for land use changes.

Your Committee finds that the establishment and use of "greenways" can be instrumental in preserving the natural beauty of the State and protecting its resources.

Based on testimony received from the Land Use Commission, your Committee has amended this Resolution to provide that the Office of State Planning, the Department of Land and Natural Resources, and appropriate county agencies work with the Department of Business, Economic Development and Tourism and the Land Use Commission in developing a definition of, and requirements for "greenways"

Based on testimony received from the Office of State Planning, your Committee has also amended this Resolution to provide that use of the definition of, and requirements for "greenways" by the Land Use Commission be discretionary, and not mandatory.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 219, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 219, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

#### **SCRep. 1126 Planning, Land and Water Use Management on S.C.R. No. 249**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development and Tourism to work with the Land Use Commission to develop a definition of, and requirements for, "greenways" which will be used by the Land Use Commission in considering applications for land use changes.

Your Committee finds that the establishment and use of "greenways" can be instrumental in preserving the natural beauty of the State and protecting its resources.

Based on testimony received from the Land Use Commission, your Committee has amended this Concurrent Resolution to provide that the Office of State Planning, the Department of Land and Natural Resources, and appropriate county agencies work with the Department of Business, Economic Development and Tourism and the Land Use Commission in developing a definition of, and requirements for "greenways".

Based on testimony received from the Office of State Planning, your Committee has also amended this Concurrent Resolution to provide that use of the definition of, and requirements for "greenways" by the Land Use Commission be discretionary, and not mandatory.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 249, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 249, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 1127 Planning, Land and Water Use Management on S.R. No. 246**

The purpose of this Resolution is to urge the Department of Land and Natural Resources, the Department of Accounting and General Services, and the City and County of Honolulu to expedite the implementation of recommended stream bank stabilization and erosion protection measures for Manoa Stream, Oahu.

The affected portion of Manoa Stream lies between East Manoa Road and Woodlawn Drive, which since 1987 has been the site of a series of floods causing erosion along the stream bank and severe damage to public and private property.

The Division of Water and Land Development of the Department of Land and Natural Resources has just completed and released "A Study to Alleviate Flooding of Manoa Stream (East Manoa Road to Woodlawn Drive), Island of Oahu." It recommends flood abatement measures and possible solutions to aid adjacent property owners.

Your Committee believes that the recommendations from the study should be implemented as soon as practicable to protect public and private property. This Resolution urges the appropriate government agencies to expedite the implementation of those recommendations.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 246 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 1128 Planning, Land and Water Use Management on S.C.R. No. 292**

The purpose of this Concurrent Resolution is to urge the Department of Land and Natural Resources, the Department of Accounting and General Services, and the City and County of Honolulu to expedite the implementation of recommended stream bank stabilization and erosion protection measures for Manoa Stream, Oahu.

The affected portion of Manoa Stream lies between East Manoa Road and Woodlawn Drive, which since 1987 has been the site of a series of floods causing erosion along the stream bank and severe damage to public and private property.

The Division of Water and Land Development of the Department of Land and Natural Resources has just completed and released "A Study to Alleviate Flooding of Manoa Stream (East Manoa Road to Woodlawn Drive), Island of Oahu." It recommends flood abatement measures and possible solutions to aid adjacent property owners.

Your Committee believes that the recommendations from the study should be implemented as soon as practicable to protect public and private property. This Concurrent Resolution urges the appropriate government agencies to expedite the implementation of those recommendations.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 292 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Holt, Ihara).

**SCRep. 1129 Health on S.R. No. 111**

The purpose of this Resolution is to request the Department of Health to support the efforts of Papa Ola Lokahi to find employment and placements for recipients of the Native Hawaiian Health Professions Scholarship Program.

Your Committee finds that the federal government currently provides funding to educate Native Hawaiians in the health professions through the Native Hawaiian Health Professions Scholarship Program (Program) administered by the Kamehameha Schools/Bishop Estate. Papa Ola Lokahi is the agency designated by the federal government to locate employment and placement opportunities for recipients of scholarships from the Program.

Your Committee believes that this measure, which will promote a potentially broader and more extensive placement effort, is necessary in light of the relatively difficult job market facing graduates of the Program.

Your Committee has amended this measure by:

- (1) Clarifying in the title of the Resolution and its body that the Department of Health is requested to support Papa Ola Lokahi in its efforts to place graduates from the Program; and
- (2) Providing that the Legislature strongly endorses the proposition (rather than providing, as in the current draft, that it is the will of the Legislature) that recipients of the Program, to the maximum extent possible, remain in Hawaii to serve their required service commitment.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 111, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 111, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Baker).

**SCRep. 1130      Health on S.C.R. No. 128**

The purpose of this Concurrent Resolution is to request the Department of Health to support the efforts of Papa Ola Lokahi to find employment and placements for recipients of the Native Hawaiian Health Professions Scholarship Program.

Your Committee finds that the federal government currently provides funding to educate Native Hawaiians in the health professions through the Native Hawaiian Health Professions Scholarship Program (Program) administered by the Kamehameha Schools/Bishop Estate. Papa Ola Lokahi is the agency designated by the federal government to locate employment and placement opportunities for recipients of scholarships from the Program.

Your Committee believes that this measure, which will promote a potentially broader and more extensive placement effort, is necessary in light of the relatively difficult job market facing graduates of the Program.

Your Committee has amended this measure by:

- (1) Clarifying in the title of the Concurrent Resolution and its body that the Department of Health is requested to support Papa Ola Lokahi in its efforts to place graduates from the Program; and
- (2) Providing that the Legislature strongly endorses the proposition (rather than providing, as in the current draft, that it is the will of the Legislature) that recipients of the Program, to the maximum extent possible, remain in Hawaii to serve their required service commitment.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 128, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 128, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Baker).

**SCRep. 1131      Health on S.R. No. 192**

The purpose of this Resolution is to request the Department of Health (DOH) to investigate methods to more efficiently deliver medical services during weekends and after hours on weekdays.

Your Committee finds that the thirteen hospitals and medical centers administered by the Community Hospitals Administration of the DOH do not currently provide after hours and weekend non-emergency room primary care or psychiatric services (as do some privately-run hospital systems like Kaiser Permanente).

Consequently, many consumers who do not have true medical emergencies during such times are nevertheless utilizing expensive emergency room facilities, when they could be more appropriately and inexpensively served by primary care physicians, mental health professionals or nurse practitioners, if available.

Your Committee, therefore, believes that this measure is in the public interest of promoting high quality and accessible health care at affordable rates.

Your Committee has made amendments to broaden the scope of this measure to explicitly include mental health services. It has also made several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 192, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 192, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1132      Health on S.C.R. No. 219**

The purpose of this Concurrent Resolution is to request the Department of Health (DOH) to investigate methods to more efficiently deliver medical services during weekends and after hours on weekdays.

Your Committee finds that the thirteen hospitals and medical centers administered by the Community Hospitals Administration of the DOH do not currently provide after hours and weekend non-emergency room primary care or psychiatric services (as do some privately-run hospital systems like Kaiser Permanente).

Consequently, many consumers who do not have true medical emergencies during such times are nevertheless utilizing expensive emergency room facilities, when they could be more appropriately and inexpensively served by primary care physicians, mental health professionals, or nurse practitioners, if available.

Your Committee, therefore, believes that this measure is in the public interest of promoting high quality and accessible health care at affordable rates.

Your Committee has made amendments to broaden the scope of this measure to explicitly include mental health services. It has also made several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 219, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 219, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

#### **SCRep. 1133      Health on S.C.R. No. 243**

The purpose of this Concurrent Resolution is to request the Department of Health (DOH) to convene a task force comprised of representatives of the health and medical care industry including ambulatory, long-term care and acute services, hospitals, a variety of health care professionals, both large and small businesses, consumers, and other interested persons, to review the responsibilities and functions of the State Health Planning and Development Agency (SHPDA) and to report findings and recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session.

Your Committee recognizes that there is considerable debate and question about the current design, responsibilities, and functions of SHPDA regarding its ability to meet its stated purpose of promoting accessibility for all people of the State to quality health care services at reasonable cost.

Your Committee, therefore, believes that it is now appropriate to examine and discuss the philosophical principles underlying SHPDA, and explore SHPDA's operations to date. It would be useful in this context to reexamine the role of state government in health planning and the delivery of health services.

Your Committee has amended this Concurrent Resolution by:

- (1) Clarifying the statutory history of SHPDA from its inception;
- (2) Clarifying the description of the two main functions of SHPDA;
- (3) Deleting the statement that SHPDA costs more than it saves, since your Committee believes that should be determined by the task force;
- (4) Adding a separate paragraph referring to the debate and question regarding free-market incentives for health care services in Hawaii, and SHPDA's impact on the free-market system;
- (5) Deleting the reference that no obvious change has resulted from previous studies of SHPDA, which your Committee believes should be determined by the task force;
- (6) Providing that members of the task force include neighbor island representatives, and that approximately one-half of the task force members be consumers (i.e., non-providers);
- (7) Adding paragraphs providing that it may be useful to reexamine the proper role of government in health planning and regulation and SHPDA's stated philosophy in this regard;
- (8) Adding to the list of issues to be studied by the task force, the impact of the development of managed care systems on the whole health care system, and the implications for necessary change in the SHPDA program;
- (9) Providing that the task force study the impact on the state community hospital system, if any, in the latter's efforts to become a separate agency, in view of current legislation and efforts to allow the community hospital system to gain more control over its operations in order to compete and remain viable;
- (10) Providing that the task force is encouraged to work in conjunction with the individuals and organizations involved in the Vision 2000 effort, as well as other entities dealing with health planning and health care reform;
- (11) Providing for a mechanism for a minority report, if such a report is warranted; and
- (12) Making several technical, nonsubstantive changes for purposes of style and clarity.

Several persons testifying on this Concurrent Resolution noted the existence of a potential conflict of interest, having DOH initiate a review of SHPDA, one of its own agencies. Your Committee notes, however, that it was agreed by all relevant parties, including SHPDA, that DOH could be relied on to convene the task force in a fair and objective manner.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 243, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 243, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1134      Judiciary on S.R. No. 47**

The purpose of the resolution is to request that the judicial selection commission, in coordination with the American Bar Association and the Hawaii State Bar Association, establish quality standards for applicants for judicial positions, and to request that the commission establish and publish qualifications for judicial positions.

Your Committee finds that, while many different qualifications may be sufficient for one seeking a judicial position, the establishment of standards would prove helpful in providing guidelines for applicants. Your Committee recognizes that, because the judicial selection commission is the body most familiar with the Judiciary's needs, and the American Bar Association and the Hawaii State Bar Association represent the legal profession, all three bodies working together can best establish standards for judicial positions.

Your Committee received testimony in support of the resolution from the Hawaii State Bar Association.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 47 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1135      Judiciary on S.C.R. No. 16**

The purpose of the concurrent resolution is to request that the child welfare services reform task force be extended for another year, and to require that the blueprint for reform of the child protective services system be submitted twenty days prior to the 1996 legislative session.

Your Committee finds that the task force, now involving approximately 100 public and private organizations, has been hard at work on developing a blueprint for reform in child protective services. Funding for the task force, to the extent of \$150,000, has been received from the Edna McConnell Clark Foundation in New York City and the local Hawaii Community Foundation. Additionally, technical support is being received from the Center for Social Policy in Washington D.C. and other national organizations. Your Committee believes that Hawaii has an opportunity to lead the nation in reforming the much-maligned and overburdened child protective services system, and the broader child welfare services system. Your Committee is encouraged and inspired by the progress of the task force thus far and believes that the additional year requested will provide the task force with the opportunity to complete its important and ground-breaking work.

Testimony in support of the resolution was submitted by the judiciary, the department of human services, the department of education, the National Association of Social Workers, and the Domestic Violence Legal Hotline. In addition your Committee received a petition in support signed by over 100 individuals.

Your Committee wishes to express its appreciation to the Junior League of Honolulu, the University of Hawaii Center for the Family, the Hawaii Community Foundation, the Edna McConnell Clark Foundation, the Theresa Hughes Trust, the Department of Human Services, the Child Welfare Services Advisory Council, the Children's Justice Task Force, the Hawaii State Bar Association, the American Academy of Pediatrics - Hawaii Chapter, the UH School of Social Work, the HGEA, the Honolulu Police Department, the National Association of Social Workers, the Casey Family Program, Child and Family Services, West Hawaii Family Support Services, the Department of Health, Department of Education, Department of Personnel Services, Department of Budget and Finance, CINCPACFLT, the Hawaii Business Roundtable, the Hawaii State Foster Parents Association, the Children's Advocacy Center, the Judiciary, Parents and Children Together, the Attorney General's Office, the Prosecuting Attorney's Office, and the Hawaii Justice Foundation for their participation and support in this important undertaking on behalf of the children of our state.

Your Committee amended the resolution to correct an oversight by including the department of education on the list of those to receive certified copies of the resolution.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1136      Judiciary on S.R. No. 14**

The purpose of the concurrent resolution is to request that the child welfare services reform task force be extended for another year, and to require that the blueprint for reform of the child protective services system be submitted twenty days prior to the 1996 legislative session.

Your Committee finds that the task force, now involving approximately 100 public and private organizations, has been hard at work on developing a blueprint for reform in child protective services. Funding for the task force, to the extent of \$150,000, has been received from the Edna McConnell Clark Foundation in New York City and the local Hawaii Community Foundation. Additionally, technical support is being received from the Center for Social Policy in Washington D.C. and other national organizations. Your Committee believes that Hawaii has an opportunity to lead the nation in

reforming the much-maligned and overburdened child protective services system, and the broader child welfare services system. Your Committee is encouraged and inspired by the progress of the task force thus far and believes that the additional year requested will provide the task force with the opportunity to complete its important and ground-breaking work.

Testimony in support of the resolution was submitted by the judiciary, the department of human services, the department of education, the National Association of Social Workers, and the Domestic Violence Legal Hotline. In addition your Committee received a petition in support signed by over 100 individuals.

Your Committee wishes to express its appreciation to the Junior League of Honolulu, the University of Hawaii Center for the Family, the Hawaii Community Foundation, the Edna McConnell Clark Foundation, the Theresa Hughes Trust, the Department of Human Services, the Child Welfare Services Advisory Council, the Children's Justice Task Force, the Hawaii State Bar Association, the American Academy of Pediatrics - Hawaii Chapter, the UH School of Social Work, the HGEA, the Honolulu Police Department, the National Association of Social Workers, the Casey Family Program, Child and Family Services, West Hawaii Family Support Services, the Department of Health, Department of Education, Department of Personnel Services, Department of Budget and Finance, CINCPACFLT, the Hawaii Business Roundtable, the Hawaii State Foster Parents Association, the Children's Advocacy Center, the Judiciary, Parents and Children Together, the Attorney General's Office, the Prosecuting Attorney's Office, and the Hawaii Justice Foundation for their participation and support in this important undertaking on behalf of the children of our state.

Your Committee amended the resolution to correct an oversight by including the department of education on the list of those to receive certified copies of the resolution.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 14, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 14, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1137      Judiciary on S.C.R. No. 56**

The purpose of the concurrent resolution is to request that the judicial selection commission, in coordination with the American Bar Association and the Hawaii State Bar Association, establish quality standards for applicants for judicial positions, and to request that the commission establish and publish qualifications for judicial positions.

Your Committee finds that, while many different qualifications may be sufficient for one seeking a judicial position, the establishment of standards would prove helpful in providing guidelines for applicants as well as for the public. Your Committee recognizes that, because the judicial selection commission is the body most familiar with the Judiciary's needs, and the American Bar Association and the Hawaii State Bar Association represent the legal profession, all three bodies working together can best establish standards for judicial positions.

Your Committee received testimony in support of the resolution from the Hawaii State Bar Association.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 56 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1138      Judiciary on S.R. No. 162**

The purpose of the resolution, as received by your Committee, is to request that the department of health gather data to determine the level of availability of cigarettes to minors in the State, and to request that the department and other private and government agencies collaborate to develop a proposal to reduce the illegal sale of tobacco products to minors and to increase compliance under the existing statutes, or to propose a new regulatory mechanism.

Your Committee finds that minors' use of tobacco in Hawaii is a growing problem, and that an increasing number of minors are accessing cigarettes on their own. Your Committee recognizes that approximately two thirds of Hawaii's minors use or experiment with tobacco by age 18, and that more than half of the smokers between the ages of 12 and 17 are able to purchase cigarettes without an I.D. Your Committee understands the importance of deterring minors from cigarette smoking, as smoking remains Hawaii's greatest cause of preventable death and disability.

Your Committee received testimony in support of the resolution by eight organizations, all of whom emphasized the dangers of cigarette smoking and encouraged the reduction of tobacco sales and consumption.

Your Committee amended the resolution by amending the title to read "senate concurrent resolution requesting baseline data on the availability of tobacco products and urging collaboration between the public and private sectors in developing proposals to regulate and reduce the illegal sale of tobacco products to minors".

Your Committee also amended the resolution to include the Hawaii Food Industry as one of the organizations requested to help the department of health in reducing tobacco sales. Your Committee further amended the resolution by making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 162, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 162, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1139      Judiciary on S.C.R. No. 183**

The purpose of the concurrent resolution, as received by your Committee, is to request that the department of health gather data to determine the level of availability of cigarettes to minors in the State, and to request that the department and other private and government agencies collaborate to develop a proposal to reduce the illegal sale of tobacco products to minors and to increase compliance under the existing statutes, or to propose a new regulatory mechanism.

Your Committee finds that minors' use of tobacco in Hawaii is a growing problem, and that an increasing number of minors are accessing cigarettes on their own. Your Committee recognizes that approximately two thirds of Hawaii's minors use or experiment with tobacco by age 18, and that more than half of the smokers between the ages of 12 and 17 are able to purchase cigarettes without an I.D. Your Committee understands the importance of deterring minors from cigarette smoking, as smoking remains Hawaii's greatest cause of preventable death and disability.

Your Committee received testimony in support of the resolution by eight organizations, all of whom emphasized the dangers of cigarette smoking and encouraged the reduction of tobacco sales and consumption.

Your Committee amended the resolution by amending the title to read "senate concurrent resolution requesting baseline data on the availability of tobacco products and urging collaboration between the public and private sectors in developing proposals to regulate and reduce the illegal sale of tobacco products to minors".

Your Committee also amended the resolution to include the Hawaii Food Industry as one of the organizations requested to help the department of health in reducing tobacco sales. Your Committee further amended the resolution by making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.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 the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1140      Judiciary on S.R. No. 179**

The purpose of the resolution, as received by your Committee, is to request that the judiciary take steps to ensure scheduling priority for child victims or witnesses.

Child abuse cases, particularly those involving child sexual assault victims, are very difficult to prosecute for many reasons. The children who are assaulted may be the only witness to the crime. The children are often reluctant or unable to testify, and may blame themselves for their abuse. In cases involving intrafamily sexual assault, children may be pressured into recanting the allegations of the sexual assault by the perpetrator or a family member. Your Committee believes that in order to successfully prosecute these offenders, the criminal justice system must respond to the difficulties children face as victims and witnesses, and recognize the special needs of these child victims.

Testimony in support of the resolution was submitted by the commission on the status of women, the office of the Honolulu prosecuting attorney, and the Domestic Violence Legal Hotline. The judiciary, while in support of a scheduling priority for child victims and witnesses, asserted that the judiciary is amid steps to address the concerns raised by the resolution.

Your Committee was informed that on March 17, 1995, the Penal rules Committee of the Judiciary met and drafted a rule that would provide the mechanism for expediting trials involving people with special needs, including child victims and witnesses.

Your Committee recognizes the negative effects on children and their abilities as witnesses that result from extended delays in their cases. Your Committee is aware that it is not alone in its concern about the impact of criminal justice procedures on children in that the Federal courts and a growing number of state courts have already implemented speedy trial rights for child victims.

While your Committee supports the efforts of the judiciary to address the problems that child victims and witnesses encounter because of delays in the criminal justice system, your Committee nevertheless believes that further review and study is necessary if Hawaii is to progress in its treatment of children in the judicial process. Your Committee has therefore amended the resolution to create a task force chaired by the commission on the status of women to review court rules and proposed court rules regarding expedited trials involving child victims or child witnesses. The task force will be comprised of, in addition to the commission on the status of women, of a representative from the judiciary, Sex Abuse Treatment Center, Coalition Against Sexual Assault, child protective services unit of the department of human services, Children's Advocacy Center, Catholic Charities, Child and Family Services, Parents United, Family Peace Center, Domestic Violence Clearinghouse and Legal Hotline, and the Honolulu prosecutors office.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 179, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 179, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1141      Judiciary on S.C.R. No. 206**

The purpose of the resolution, as received by your Committee, is to request that the judiciary take steps to ensure scheduling priority for child victims or witnesses.

Child abuse cases, particularly those involving child sexual assault victims, are very difficult to prosecute for many reasons. The children who are assaulted may be the only witness to the crime. The children are often reluctant or unable to testify, and may blame themselves for their abuse. In cases involving intrafamily sexual assault, children may be pressured into recanting the allegations of the sexual assault by the perpetrator or a family member. Your Committee believes that in order to successfully prosecute these offenders, the criminal justice system must respond to the difficulties children face as victims and witnesses, and recognize the special needs of these child victims.

Testimony in support of the resolution was submitted by the commission on the status of women, the office of the Honolulu prosecuting attorney, and the Domestic Violence Legal Hotline. The judiciary, while in support of a scheduling priority for child victims and witnesses, asserted that the judiciary is amid steps to address the concerns raised by the resolution.

Your Committee was informed that on March 17, 1995, the Penal rules Committee of the Judiciary met and drafted a rule that would provide the mechanism for expediting trials involving people with special needs, including child victims and witnesses.

Your Committee recognizes the negative effects on children and their abilities as witnesses that result from extended delays in their cases. Your Committee is aware that it is not alone in its concern about the impact of criminal justice procedures on children in that the Federal courts and a growing number of state courts have already implemented speedy trial rights for child victims.

While your Committee supports the efforts of the judiciary to address the problems that child victims and witnesses encounter because of delays in the criminal justice system, your Committee nevertheless believes that further review and study is necessary if Hawaii is to progress in its treatment of children in the judicial process. Your Committee has therefore amended the resolution to create a task force chaired by the commission on the status of women to review court rules and proposed court rules regarding expedited trials involving child victims or child witnesses. The task force will be comprised of, in addition to the commission on the status of women, of a representative from the judiciary, Sex Abuse Treatment Center, Coalition Against Sexual Assault, child protective services unit of the department of human services, Children's Advocacy Center, Catholic Charities, Child and Family Services, Parents United, Family Peace Center, Domestic Violence Clearinghouse and Legal Hotline, and the Honolulu prosecutors office.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 206, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 206, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1142      Judiciary on S.R. No. 181**

The purpose of the resolution is to urge the judiciary to conduct training sessions for judges on the application of competency rules to children and to report on steps taken to ensure proper understanding of the rules as they apply to children.

Testimony in support of the resolution was submitted by a representative from the Honolulu prosecutors office, the commission on the status of women, and the Domestic Violence Legal Hotline. The judiciary submitted testimony which stated that its committee on Judiciary Education and Resource Development currently conducts training for judges in many areas including evidence issues.

Your Committee is aware that children in our courts are subjected to a long and arduous qualification process designed to prove that they should be permitted to testify. The development and use of this procedure has been based, in part, on the outdated perception that children are somewhat less truthful than adults or lack sufficient mental capacity or memory to testify to factual events. These qualification proceedings are not consistent, nor are their results reliable.

Your Committee recognizes that in child abuse cases, the child victim is often the only witness, and the ability to proceed with a case is therefore dependent on the court first finding the child to be competent. An unintended result is that many child abuse cases cannot be filed or must be plea-bargained.

Your Committee believes that training to better understand and conduct competency hearings for children is a well founded idea, and that this resolution will serve to encourage the judiciary to focus more training in this area where expertise is critical.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 181 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1143      Judiciary on S.C.R. No. 208**

The purpose of the resolution is to urge the judiciary to conduct training sessions for judges on the application of competency rules to children and to report on steps taken to ensure proper understanding of the rules as they apply to children.

Testimony in support of the resolution was submitted by a representative from the Honolulu prosecutors office, the commission on the status of women, and the Domestic Violence Legal Hotline. The judiciary submitted testimony which stated that its committee on Judiciary Education and Resource Development currently conducts training for judges in many areas including evidence issues.

Your Committee is aware that children in our courts are subjected to a long and arduous qualification process designed to prove that they should be permitted to testify. The development and use of this procedure has been based, in part, on the outdated perception that children are somewhat less truthful than adults or lack sufficient mental capacity or memory to testify to factual events. These qualification proceedings are not consistent, nor are their results reliable.

Your Committee recognizes that in child abuse cases, the child victim is often the only witness, and the ability to proceed with a case is therefore dependent on the court first finding the child to be competent. An unintended result is that many child abuse cases cannot be filed or must be plea-bargained.

Your Committee believes that training to better understand and conduct competency hearings for children is a well founded idea, and that this resolution will serve to encourage the judiciary to focus more training in this area where expertise is critical.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 208 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1144      Judiciary on S.R. No. 200**

The purpose of the resolution is to request that the federal Bureau of Prisons choose a site that is acceptable both to the State of Hawaii and the federal government for the proposed federal detention center on Oahu.

Your Committee finds that the United States Marshal's agreement with the State reserving 50 beds at the Halawa prison facility for housing federal inmates awaiting trial or sentencing is insufficient to house the 100 to 200 detainees normally needing housing. Your Committee is aware that, as a result of the space restrictions, a majority of the detainees are flown to a prison in California. The problems with such a process are numerous, as burdens are imposed on the courts, attorneys, and families and friends of inmates, and constitutional problems regarding attorney-client communications are created. Your Committee understands that the construction of a federal detention center on Oahu would resolve such complications, thereby benefiting all parties involved in the trial or sentencing process.

Your Committee received testimony in favor of the resolution from the Chief Judge of the U.S. District Court of the District of Hawaii, Hawaii's U.S. Attorney, the U.S. Marshal for the District of Hawaii, the office of U.S. Senator Daniel Inouye, the department of public safety, the attorney general, the Honolulu prosecuting attorney, and the Hawaii Building and Construction Trades Council.

Your Committee amended the resolution by making technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 200, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 200, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1145      Judiciary on S.C.R. No. 229**

The purpose of the concurrent resolution is to request that the federal Bureau of Prisons choose a site that is acceptable both to the State of Hawaii and the federal government for the proposed federal detention center on Oahu.

Your Committee finds that the United States Marshal's agreement with the State reserving 50 beds at the Halawa prison facility for housing federal inmates awaiting trial or sentencing is insufficient to house the 100 to 200 detainees normally needing housing. Your Committee is aware that, as a result of the space restrictions, a majority of the detainees are flown to a prison in California. The problems with such a process are numerous, as burdens are imposed on the courts, attorneys, and families and friends of inmates, and constitutional problems regarding attorney-client communications are created. Your Committee understands that the construction of a federal detention center on Oahu would resolve such complications, thereby benefiting all parties involved in the trial or sentencing process.

Your Committee received testimony in favor of the resolution from the Chief Judge of the U.S. District Court of the District of Hawaii, Hawaii's U.S. Attorney, the U.S. Marshal for the District of Hawaii, the office of U.S. Senator Daniel

Inouye, the department of public safety, the attorney general, the Honolulu prosecuting attorney, and the Hawaii Building and Construction Trades Council.

Your Committee amended the resolution by making technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 229, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 229, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1146      Judiciary on S.C.R. No. 308**

The purpose of the resolution, as received by your Committee is to request the United States Department of Interior to investigate human rights abuses in the Commonwealth of Northern Marianas.

Testimony was submitted in support of the resolution by Jake Manegdeg on behalf of the Filipino Coalition for Solidarity and the Oahu Filipino Community Council and Alejandro Mosquera from the Philippine consulate.

The Commonwealth of Northern Marianas ("CNMI") was formerly a United Nations trust territory administered by the United States and has become a commonwealth of the United States. Your Committee has been informed that in recent years, the CNMI, and the island of Rota in particular, has become a scene of grievous abuses and violations of human rights against overseas Filipino contract workers such as domestic helpers, waitresses, farm laborers, construction workers, entertainers and teachers.

Your Committee received oral testimony and written documentation that these workers are subjected to human rights violations such as being forced into prostitution, locked up during their free time, kidnapped, beaten and raped, abandoned without pay, and that employees of all categories are cheated out of their wages and their passports held.

Your Committee also received oral testimony and written documentation alleging that these injustices are often inflicted by employers and government officials, under a corrupt system in which close family or political ties exist between employers and local authorities, and that this corrupt system has served to block any effective investigations or reforms.

Your Committee is aware that the United States Department of Interior is presently conducting a federal interagency effort to stop these labor and civil rights abuses of non-U.S. citizen workers in the CNMI, along with the efforts of the FBI, the U.S. Attorneys Office, the Department of Justice, the U.S. Immigration and Naturalization Service, the U.S. Department of Labor, and several other agencies. However, your Committee is concerned that these violations are continuing to occur and that the investigation is not proceeding as expeditiously and effectively as possible.

After careful consideration, your Committee amended the resolution by amending the title to request the United States Congress to expedite and fully investigate the claims of human rights abuses in the CNMI. Your Committee further amended the resolution to request the United States Congress to review the feasibility of taking control of immigration and minimum wage function from the CNMI. Finally, your Committee added a request that the terms of the Compact Agreement between the United States and CNMI be reviewed in order to review what actions might be taken in order to ensure that human rights are protected.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 308, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 308, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsuura, McCartney).

**SCRep. 1147      Judiciary on S.R. No. 22**

The purpose of the resolution is to urge the President of the United States and the Congress to amend the Constitution to prohibit the physical desecration of the United States flag.

Your Committee finds that physical desecration of the United States flag, often inflicted by individuals venting anger or frustration with national policy, is permitted despite the flag's importance as a national symbol of democracy and freedom. Such desecration is perceived by many as an attack on national pride, honor, and dignity, especially by those who dedicated their lives to serve and protect the country. Your Committee believes that respectful treatment of the flag is important in promoting pride in American heritage and values. Your Committee is aware that Hawaii is one of only four states that has not urged Congress to protect the flag from dishonorable treatment.

Testimony in support of the resolution was received from thirteen organizations and individuals. All expressed their dismay at the disrespectful treatment currently permitted, and encouraged the prohibition of physical activities dishonoring the flag. Testimony in opposition was received from the Hawaiian Political Action Council of Hawaii and the American Civil Liberties Union of Hawaii Foundation.

Your Committee amended the bill by making technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 22, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 22, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsuura, McCartney).

**SCRep. 1148      Judiciary on S.C.R. No. 26**

The purpose of the resolution is to urge the President of the United States and the Congress to amend the Constitution to prohibit the physical desecration of the United States flag.

Your Committee finds that physical desecration of the United States flag, often inflicted by individuals venting anger or frustration with national policy, is permitted despite the flag's importance as a national symbol of democracy and freedom. Such desecration is perceived by many as an attack on national pride, honor, and dignity, especially by those who dedicated their lives to serve and protect the country. Your Committee believes that respectful treatment of the flag is important in promoting pride in American heritage and values. Your Committee is aware that Hawaii is one of only four states that has not urged Congress to protect the flag from dishonorable treatment.

Testimony in support of the resolution was received from thirteen organizations and individuals. All expressed their dismay at the disrespectful treatment currently permitted, and encouraged the prohibition of physical activities dishonoring the flag. Testimony in opposition was received from the Hawaiian Political Action Council of Hawaii and the American Civil Liberties Union of Hawaii Foundation.

Your Committee amended the bill by making technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 26, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 26, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsuura, McCartney).

**SCRep. 1149      Transportation and Government Affairs on S.R. No. 187**

The purpose of this Resolution is to request the Governor to form an advisory Maritime Policy Investigative Commission within the Governor's Office to investigate, among other things, the advantages and disadvantages of establishing a maritime authority to determine statewide maritime policy, a port authority to implement and administer maritime policy, a state water carrier's loan program, or a port marketing program, and of structuring of the formal relationships among these program.

Supporting testimony was received from the Chamber of Commerce of Hawaii, Pacific Maritime Agencies, and Sea Land Services Inc. The Hawaii Pilots Association submitted testimony in support of the overall purpose of the Resolution.

Your Committee has amended the Resolution by:

- (1) Amending the title to refer to the Hawaii Maritime Industry Policy Task Force which better reflects the nature of the advisory body being formed;
- (2) Deleting references to "airports" since they are not addressed by the substance of the Resolution;
- (3) Expanding and altering the membership of the Task Force; and
- (4) Making other stylistic nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 187, 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. 187, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1150      Transportation and Government Affairs on S.R. No. 204**

The purpose of this Resolution is to request that the Office of Veterans Services assist the Kohala Community Association in erecting a war veterans monument at Veterans Field.

Testimony in support of this Resolution was received from the Advisory Board on Veterans Services and the Office of Veterans Services.

Your Committee was advised that the Department of Defense (DOD) was willing to assist the community by acting as liaison between the County and Kohala Community Association, having DOD engineers review plans for the monument, and otherwise assisting in the efforts toward creating the monument.

Your Committee amended the Resolution to reflect the DOD's offer of assistance, to correct a typographical error in the proposed inscription for the monument, and to reflect in the title the correct spelling of the Office of Veterans Services.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 204, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 204, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1151      Transportation and Government Affairs on S.C.R. No. 234**

The purpose of this Concurrent Resolution is to request that the Office of Veterans Services assist the Kohala Community Association in erecting a war veterans monument at Veterans Field.

Testimony in support of this Concurrent Resolution was received from the Advisory Board on Veterans Services and the Office of Veterans Services.

Your Committee was advised that the Department of Defense (DOD) was willing to assist the community by acting as liaison between the County and Kohala Community Association, having DOD engineers review plans for the monument, and otherwise assisting in the efforts toward creating the monument.

Your Committee amended the Concurrent Resolution to reflect the DOD's offer of assistance, to correct a typographical error in the proposed inscription for the monument, and to reflect in the title the correct spelling of the Office of Veterans Services.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 234, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 234, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1152      (Joint) Transportation and Government Affairs and Planning, Land and Water Use Management on S.R. No. 245**

The purpose of this Resolution is to request that either the Department of Land and Natural Resources or the Department of Transportation, whichever is appropriate, acquire and operate the Hanalei boatyard adjacent to, and in conjunction with, the State pier and wharf facility and boat launch ramp at Hanalei, Kauai for commercial and private boating activities.

Favorable testimony was received from Michael and Patricia Sheehan, Kauai County Council members Ronald Kouchi and Richard Minatoya. Testimony was received from the Department of Transportation indicating that as the resolution did not pertain to a commercial harbor it was beyond the Department's jurisdiction and they would defer to DLNR. Your Committee was informed through the testimony of a need for such a facility.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Planning, Land and Water Use Management that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 245 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Ihara, Taniguchi).

**SCRep. 1153      (Joint) Transportation and Government Affairs and Planning, Land and Water Use Management on S.C.R. No. 291**

The purpose of this Concurrent Resolution is to request that either the Department of Land and Natural Resources or the Department of Transportation, whichever is appropriate, acquire and operate the Hanalei boatyard adjacent to, and in conjunction with, the State pier and wharf facility and boat launch ramp at Hanalei, Kauai for commercial and private boating activities.

Favorable testimony was received from Michael and Patricia Sheehan, Kauai County Council members Ronald Kouchi and Richard Minatoya. Testimony was received from the Department of Transportation indicating that as the resolution did not pertain to a commercial harbor it was beyond the Department's jurisdiction and they would defer to DLNR. Your Committee was informed through the testimony of a need for such a facility.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Planning, Land and Water Use Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 291 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Ihara, Taniguchi).

**LCRep. 1154      Committee on Legislative Salary on S.C.R. No. 162**

The purpose of this Concurrent Resolution, as received by your Committee, is to review and consider the recommendation of the 1994 Commission on Legislative Salary submitted to the Eighteenth Legislature during this Regular Session of 1995.

Your Committee finds that the 1994 Legislative Salary Commission is the third such commission established pursuant to Article III, section 9 of the Hawaii State Constitution. Pursuant to the Constitution, the Commission's recommendation, if approved, would apply to the Nineteenth Legislature, beginning in 1997. The Constitution further provides that the Commission's recommendation will automatically become effective, unless disapproved during this regular session by the Eighteenth Legislature or the Governor.

Your Committee further finds that the Commission, in making its recommendation, reviewed a variety of factors including the history of legislative salaries since 1967, the current non-salary benefits received by legislators, and the reports presented by the two previous commissions in 1978 and 1986. The commission also surveyed current legislators who served during the 1994 legislative session, to determine the amount of time spent in service as legislators both during the legislative session and during the interim. Finally, the Commission developed various scenarios for determining legislative salary, of which the Commission chose two for presentation at public hearings statewide.

Your Committee notes that upon receiving public comment, the Commission incorporated these comments into a revised scenario which was used in its recommendation to the Legislature. The Commission reported that generally public sentiment did not support a legislative pay increase at this time because of the State's austere fiscal condition. Thus, the Commission's recommendation proposes the following:

- (1) No salary increase be given for 1997;
- (2) Any salary increase in 1999 be based upon the average percentage increase in those collective bargaining unit contracts negotiated by the Office of Collective Bargaining within the Governor's Office; and
- (3) That any such increase be calculated based upon the current annual salary level of members of the Legislature, which is \$37,000 for the Senate President and House Speaker and \$32,000 for members of the Legislature.

Upon further consideration of the Commission's recommendation, your Committee believes that while the Commission was diligent in its efforts to develop a fair and justifiable resolution to the issue of legislative salary, the linking of legislative salaries to the process of collective bargaining for public employees raises serious concerns. Of primary concern is the separation of powers issue, which would be violated as legislative pay increases would be bound by public employee increases negotiated by the Governor's Office of Collective Bargaining. Secondly, an ancillary concern is that the Legislature approves and appropriates funds for the pay increases negotiated through the collective bargaining process, and thus in effect would be approving its own salary increases.

Your Committee, therefore, has amended this measure to disapprove the recommendation of the commission by:

- (1) Changing the title to read "DISAPPROVING THE RECOMMENDATION OF THE COMMISSION ON LEGISLATIVE SALARY";
- (2) Inserting three additional WHEREAS clauses to reflect the submission of the report to the Legislature and the Commission's recommendation and underlying rationale for the recommendation;
- (3) Inserting two additional WHEREAS clauses recognizing the difficulty of the Commission's task given the State's present fiscal conditions and expressing appreciation for the Commission's efforts;
- (4) Inserting an additional WHEREAS clause reflecting legislative concerns about the linking of legislative salary levels with public employee collective bargaining as a violation of the separation of powers and the ancillary issue of legislative approval of public employees pay raises; and
- (5) Inserting a new BE IT RESOLVED clause which disapproves the recommendation of the Commission.

As affirmed by the record of votes of the members of your Leadership Committee on Legislative Salary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 162, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 162, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

#### **SRep. 1155      Health on S.R. No. 103**

The purpose of this Resolution is to request the Director of Health to develop and implement various alternatives, including the development of incentives for public psychiatric practitioners, to improve mental health services so that our citizens with mental illness have access to quality services wherever they may be, and so that all communities on all islands of this State will be well served by the public mental health system.

This Resolution also urges the Director of Health, if inadequacies should continue, to contract with private service providers to provide public mental health services where the government cannot or will not do so.

Your Committee agrees with the general intent of this measure that innovation in the delivery of mental health services is necessary to ensure efficient and responsive service to the people of Hawaii.

Your Committee believes that the effective way to address this vitally important issue is to request the Department of Health and other interested parties to consider the possibility of establishing a model or pilot program of a public benefit corporation to manage and operate one or more of the community mental health centers. The intent of this approach is to determine, on a trial basis, whether it is in the public interest for the functions of service planning and monitoring to be

separated from the function of service delivery and for the community mental health centers to be provided with the necessary autonomy to make necessary and timely budgetary and personnel decisions.

Your Committee has therefore amended this measure inserting language reflecting this new approach to promoting the efficient and responsive delivery of mental health services in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 103, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 103, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Baker).

**SCRep. 1156      Health on S.C.R. No. 117**

The purpose of this Concurrent Resolution is to request the Director of Health to develop and implement various alternatives, including the development of incentives for public psychiatric practitioners, to improve mental health services so that our citizens with mental illness have access to quality services wherever they may be, and so that all communities on all islands of this State will be well served by the public mental health system.

This Concurrent Resolution also urges the Director of Health, if inadequacies should continue, to contract with private service providers to provide public mental health services where the government cannot or will not do so.

Your Committee agrees with the general intent of this measure that innovation in the delivery of mental health services is necessary to ensure efficient and responsive service to the people of Hawaii.

Your Committee believes that the effective way to address this vitally important issue is to request the Department of Health and other interested parties to consider the possibility of establishing a model or pilot program of a public benefit corporation to manage and operate one or more of the community mental health centers. The intent of this approach is to determine, on a trial basis, whether it is in the public interest for the functions of service planning and monitoring to be separated from the function of service delivery and for the community mental health centers to be provided with the necessary autonomy to make necessary and timely budgetary and personnel decisions.

Your Committee has therefore amended this measure by inserting language reflecting this new approach to promoting the efficient and responsive delivery of mental health services in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 117, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 117, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Baker).

**SCRep. 1157      (Joint) Health and Economic Development on S.R. No. 231**

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism, in conjunction with the Governor's Health Care Tourism Steering Committee, to report to the Legislature on the potential of developing an export health industry in Hawaii.

Your Committees find that there may be significant economic opportunities available to the State by pursuing and promoting the development of an export health industry, but that in the absence of a systematic and coordinated promotional program, this potential may never be realized.

Your Committees therefore believe that this measure is necessary to promote the economic welfare of the people of Hawaii.

Your Committees have made several technical, nonsubstantive changes to this measure for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 231, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 231, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Baker, Ige, Tam).

**SCRep. 1158      (Joint) Health and Economic Development on S.C.R. No. 269**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism, in conjunction with the Governor's Health Care Tourism Steering Committee, to report to the Legislature on the potential of developing an export health industry in Hawaii.

Your Committees find that there may be significant economic opportunities available to the State by pursuing and promoting the development of an export health industry, but that in the absence of a systematic and coordinated promotional program, this potential may never be realized.

Your Committees therefore believe that this measure is necessary to promote the economic welfare of the people of Hawaii.

Your Committees have made several technical, nonsubstantive changes to this measure for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 269, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 269, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Baker, Ige, Tam).

**SCRep. 1159 (Joint) Health and Economic Development on S.R. No. 232**

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to develop a plan on how the State can promote Hawaii's excellent health care systems and expertise.

Your Committees find that there is a potential growth area for the expansion of Hawaii's tourism industry into the health tourism niche.

For instance, although it is unclear without further study how foreign health insurance policies would apply or what other types of hurdles may be encountered in this regard, a recent University of Hawaii study found that there are at least thirty million people in the Asia-Pacific region who can afford to travel to the United States for medical treatment.

Your Committees therefore support this measure as an important first step towards formulating and implementing a definitive plan to market Hawaii's unique health-related assets outside of the United States in order to tap into this potentially lucrative health tourism market.

Your Committees have amended this measure by clarifying that DBEDT's plan include convening a conference of health care experts, the Hawaii Visitors Bureau, and to the extent practicable, representatives of Pacific Rim nations, to determine the need for and to identify the kinds of services and procedures that Asian and Pacific islanders would come to Hawaii to receive.

Your Committees have also made several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 232, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 232, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Baker, Ige, Tam).

**SCRep. 1160 (Joint) Health and Economic Development on S.C.R. No. 270**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to develop a plan on how the State can promote Hawaii's excellent health care systems and expertise.

Your Committees find that there is a potential growth area for the expansion of Hawaii's tourism industry into the health tourism niche.

For instance, although it is unclear without further study how foreign health insurance policies would apply or what other types of hurdles may be encountered in this regard, a recent University of Hawaii study found that there are at least thirty million people in the Asia-Pacific region who can afford to travel to the United States for medical treatment.

Your Committees therefore support this measure as an important first step towards formulating and implementing a definitive plan to market Hawaii's unique health-related assets outside of the United States in order to tap into this potentially lucrative health tourism market.

Your Committees have amended this measure by clarifying that DBEDT's plan include convening a conference of health care experts, the Hawaii Visitors Bureau, and to the extent practicable, representatives of Pacific Rim nations, to determine the need for and to identify the kinds of services and procedures that Asian and Pacific islanders would come to Hawaii to receive.

Your Committees have also made several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 270, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 270, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Baker, Ige, Tam).

**SCRep. 1161 Executive and Judicial Appointments on Gov. Msg. No. 133**

Recommending that the Senate advise and consent to the nomination of EDWARD V. RICHARDSON as Adjutant General, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1162 Executive and Judicial Appointments on Gov. Msg. No. 134**

Recommending that the Senate advise and consent to the nomination of KALI K. WATSON as Chairperson, Hawaiian Homes Commission, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1163 Executive and Judicial Appointments on Gov. Msg. No. 141**

Recommending that the Senate advise and consent to the nomination of RAY K. KAMIKAWA as Director of Taxation, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1164 Judiciary on S.R. No. 202**

The purpose of the resolution is to request the judicial selection commission to provide a code of ethics for the commission, and to request the attorney general to review its opinion regarding the applicability of Chapter 84, Hawaii Revised Statutes, to the commission.

In a legal opinion dated May 8, 1992, the attorney general determined that the State ethics code did not apply to the judicial selection commission because following the code would require the release of confidential information and would thus violate the constitutional right to privacy. The opinion stated that members of the commission were only required to file financial disclosure statements with the State ethics commission. Your Committee believes that a code of ethics should apply to the judicial selection commission. Your Committee recalls representations made last session that the code of ethics would be completed shortly. Therefore, the commission is urged to submit its code of ethics prior to adjournment this session.

Further, your Committee is unable to support the rationale given in the May 8, 1992 Attorney General Opinion for the non-applicability of the state ethics code to the commission and believes that the opinion should be reviewed.

Your Committee received testimony in support of the resolution from the Hawaii State ethics commission and the judicial selection commission.

Your Committee amended the resolution by including more complete information regarding the attorney general's opinion and the need for subsequent review of the opinion, along with information regarding the need for a code of ethics to be developed for the commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 202, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 202, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1165 Transportation and Government Affairs on S.R. No. 9**

The purpose of this Resolution is to express the Legislature's support for Senator Daniel K. Akaka's proposed federal legislation, S. 2428, entitled "National Parks Airspace Management Act of 1994", which limits and regulates low-flying commercial tour flights and military flights over national parks in Hawaii and across the nation.

Favorable testimony was submitted by the Sierra Club Legal Defense Fund, Citizens Against Noise, the Moku Loa Group, and William D. Smith.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 9 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1166 Transportation and Government Affairs on S.C.R. No. 9**

The purpose of this Concurrent Resolution is to express the Legislature's support for Senator Daniel K. Akaka's proposed federal legislation, S. 2428, entitled "National Parks Airspace Management Act of 1994", which limits and regulates low-flying commercial tour flights and military flights over national parks in Hawaii and across the nation.

Favorable testimony was submitted by the Sierra Club Legal Defense Fund, Citizens Against Noise, the Moku Loa Group, and William D. Smith.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1167      Transportation and Government Affairs on S.R. No. 18**

The purpose of this Resolution is to request that the Department of Accounting and General Services to allow individuals, nonprofit groups, clubs, community organizations, and other groups of people to use the Waipahu Civic Center for after work hours town meetings and other types of meetings.

Favorable testimony was received from the Waipahu public library, the Waipahu Business Association, Andy Anderson, Robert Oshiro, and the Department of Accounting and General Services.

Your Committee finds that there is a dearth of meeting rooms available for public use. This lack will be exacerbated when the new Waipahu public library is completed as the new library, unlike the present facility has no meeting room which can be used by the public. DAGS testified that it is presently taking steps to meet concerns such as key control, security, and reimbursement for utility costs.

Your Committee has amended the Resolution to provide that use of the Civic Center be limited to bona fide community organizations and groups and for nonprofit meetings.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1168      Transportation and Government Affairs on S.C.R. No. 22**

The purpose of this Concurrent Resolution is to request that the Department of Accounting and General Services to allow individuals, nonprofit groups, clubs, community organizations, and other groups of people to use the Waipahu Civic Center for after work hours town meetings and other types of meetings.

Favorable testimony was received from the Waipahu public library, the Waipahu Business Association, Andy Anderson, Robert Oshiro, and the Department of Accounting and General Services.

Your Committee finds that there is a dearth of meeting rooms available for public use. This lack will be exacerbated when the new Waipahu public library is completed as the new library, unlike the present facility has no meeting room which can be used by the public. DAGS testified that it is presently taking steps to meet concerns such as key control, security, and reimbursement for utility costs.

Your Committee has amended the Concurrent Resolution to provide that use of the Civic Center be limited to bona fide community organizations and groups and for nonprofit meetings.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 22, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 22, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

**SCRep. 1169      Transportation and Government Affairs on S.R. No. 39**

The purpose of this Resolution is to request that members of Hawaii's congressional delegation exercise their best efforts and do all things necessary toward the expeditious planning and construction of a new post office with adequate public parking in Waipahu.

Your Committee finds that the current post office site is very old and small and is inadequate to meet the growing needs of the Waipahu community. A new post office will remedy the cramped conditions at the post office parking lot which is somewhat hazardous.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 39 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1170      Transportation and Government Affairs on S.C.R. No. 46**

The purpose of this Concurrent Resolution is to request that members of Hawaii's congressional delegation exercise their best efforts and do all things necessary toward the expeditious planning and construction of a new post office with adequate public parking in Waipahu.

Your Committee finds that the current post office site is very old and small and is inadequate to meet the growing needs of the Waipahu community. A new post office will remedy the cramped conditions at the post office parking lot which is somewhat hazardous.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 46 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1171      Transportation and Government Affairs on S.R. No. 243**

The purpose of this Resolution is to urge Congress to support legislation which will safeguard veterans' disability compensation and social security disability compensation from elimination, reduction, or taxation.

Favorable testimony was provided by the Department of Defense, the Office of Veterans Services, and the Fleet Reserve Association.

The Legislature finds that disability compensation for war veterans is for injury, disease, illness, and death as a direct result of military service. Any elimination, reduction, or taxation of these benefits would be a breach of faith as to this nation's promise to provide health care and compensation to veterans for wounds or injuries sustained while in service of this country.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 243 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1172      Transportation and Government Affairs on S.C.R. No. 288**

The purpose of this Concurrent Resolution is to urge Congress to support legislation which will safeguard veterans' disability compensation and social security disability compensation from elimination, reduction, or taxation.

Favorable testimony was provided by the Department of Defense, the Office of Veterans Services, and the Fleet Reserve Association.

The Legislature finds that disability compensation for war veterans is for injury, disease, illness, and death as a direct result of military service. Any elimination, reduction, or taxation of these benefits would be a breach of faith as to this nation's promise to provide health care and compensation to veterans for wounds or injuries sustained while in service of this country.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 288 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1173      Higher Education, Culture, and Arts on S.R. No. 63**

The purpose of this Resolution is to request the State of Hawaii, the City and County of Honolulu, and the Hawaii Visitors Bureau to use the name Mokoli'i on all maps, brochures, reports, and other material depicting or referring to the island commonly referred to as "Chinaman's Hat."

Your Committee finds that the appellation of "Chinaman's Hat" for Mokoli'i island off the north shore of Oahu might be considered descriptive and cute, but for several groups the designation "Chinaman's Hat" conjures up derogatory images and ideas that are extremely offensive and insulting. Furthermore, the appellation contributes to the loss of important aspects of the rich Hawaiian oral traditions that speak of the cultural and spiritual significance of this location.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 63 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1174      Higher Education, Culture, and Arts on S.C.R. No. 76**

The purpose of this Concurrent Resolution is to request the State of Hawaii, the City and County of Honolulu, and the Hawaii Visitors Bureau to use the name Mokoli'i on all maps, brochures, reports, and other material depicting or referring to the island commonly referred to as "Chinaman's Hat."

Your Committee finds that the appellation of "Chinaman's Hat" for Mokoli'i island off the north shore of Oahu might be considered descriptive and cute, but for several groups the designation "Chinaman's Hat" conjures up derogatory images and ideas that are extremely offensive and insulting. Furthermore, the appellation contributes to the loss of important aspects of the rich Hawaiian oral traditions that speak of the cultural and spiritual significance of this location.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1175 (Joint) Education and Health on S.C.R. No. 127**

The purpose of this Concurrent Resolution is to urge the Department of Education, in conjunction with the Department of Health, to continue mental health services for high risk special education children.

Your Committees find that the State of Hawaii is presently developing a plan for the provision of mental health services for children and adolescents, pursuant to a federal court decision which found that services were inadequate. Your Committees further find that despite the development of this plan, services need to be continued to high risk special education children in order to prevent psychological trauma and clinical setback which could result from interruption of services.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 127 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Bunda).

**SCRep. 1176 Judiciary on S.R. No. 161**

The purpose of the resolution is to request the Senate Judiciary Committee to hold interim public hearings and make recommendations regarding constitutional and statutory amendments to provide for the election of the attorney general.

Your Committee finds that the appointment of the attorney general by the governor has led to a perception that the attorney general does not represent the interests of the people in instances where the views of the public and the executive branch differ.

Your Committee believes that providing for the election of the attorney general would present an opportunity to provide an additional check and balance in government, particularly with regard to public corruption issues, and is an opportunity to increase public confidence in government. However, your Committee feels strongly that before a recommendation can be made, a thorough review and assessment of the office's specific duties and responsibilities should be conducted, which may necessitate a review and identification of the specific discretionary or statutory mandates which may be appropriate for an elective office.

Your Committee received testimony in support of the resolution from the attorney general, who encouraged the review process contemplated in this resolution.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 161 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1177 Agriculture, Labor, and Employment on H.B. No. 1839**

The purpose of this bill is to provide for the timely adoption in Hawaii's meat inspection rules of the federal changes to the meat inspection regulations.

Your Committee finds that to comply with the Federal Meat Inspection Act, the State of Hawaii's Board of Agriculture (Board) adopted, in 1981, the Federal Meat Inspection Regulation as the rules governing the inspection of meats under the Hawaii Meat Inspection Act.

Your Committee also finds that between the establishment of federal regulations governing meat inspection in June, 1973, and the Board's adoption of the federal regulations in 1981, the federal government has amended these regulations ninety-seven times. Since 1981, the federal government has amended these regulations an additional 124 times, equal to an amendment every thirty-one working days. Each time the federal government amends its meat inspection regulations, the State must also conform its regulations to remain in compliance with federal standards or else risk losing its status as a state that maintains a comparable meat inspection program.

Your Committee believes that the bill is necessary in order for the Board to effectively and expeditiously carry out its mandated purpose with respect to meat inspections.

Your Committee has amended the bill by making technical amendments which have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1839, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1839, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1178      Agriculture, Labor, and Employment on H.B. No. 1848**

The purpose of this bill is to repeal the pesticide residue labeling requirements for processed foods and raw agricultural commodities.

Under existing law enacted in 1973, processed foods and raw agricultural commodities prepared in foreign countries whose regulations do not meet U.S. standards for pesticide residue control must be labeled "THIS PRODUCT NOT CERTIFIED FOR TOXIC PESTICIDE RESIDUE."

According to supporting testimony of the Board of Agriculture for this administration measure, the existing law does not accomplish its intended purpose because it does not protect the consumer against tainted products and only serves to make consumers wary about purchasing foreign food products. This law is also unenforceable because it does not provide for rule-making powers or penalties. However, the consumer is still protected under federal law by the Federal Food and Drug Administration and by the Food and Drug Branch of the Hawaii Department of Health which regulate imported fresh and processed food products.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1179      Planning, Land and Water Use Management on S.R. No. 25**

The purpose of this Resolution is to request all state agencies involved in the delivery of services or the designing of infrastructure for the Big Island's Puna district to publicly conduct periodic planning interagency meetings.

Your Committee notes that the Puna district was the fastest growing district in the State from 1970 to 1990. This explosive growth in population precipitates planning problems in population overgrowth, land development, and increased urbanization.

Your Committee further notes that Puna residents have been rarely asked to meet with planners to decide on the scope of projects and have therefore been effectively shut out of the planning process for their own community. Periodic interagency planning meetings that are open, accessible, and sensitive to the needs of the Puna residents would serve to alleviate this situation.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 25 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Holt, Ige, Anderson).

**SCRep. 1180      Planning, Land and Water Use Management on S.C.R. No. 29**

The purpose of this Concurrent Resolution is to request all state agencies involved in the delivery of services or the designing of infrastructure for the Big Island's Puna district to publicly conduct periodic planning interagency meetings.

Your Committee notes that the Puna district was the fastest growing district in the State from 1970 to 1990. This explosive growth in population precipitates planning problems in population overgrowth, land development, and increased urbanization.

Your Committee further notes that Puna residents have been rarely asked to meet with planners to decide on the scope of projects and have therefore been effectively shut out of the planning process for their own community. Periodic interagency planning meetings that are open, accessible, and sensitive to the needs of the Puna residents would serve to alleviate this situation.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 29 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Holt, Ige, Anderson).

**SCRep. 1181      (Joint) Planning, Land and Water Use Management and Agriculture, Labor, and Employment on S.R. No. 196**

The purpose of this Resolution is to request that the Department of Land and Natural Resources conduct a study on the feasibility of engaging nonprofit organizations to assist in the management of state parks.

Based on testimony received at the hearing, your Committees have amended this Resolution to provide that the nonprofit organizations would provide volunteer management staffing, and that any arrangements for nonprofit organizations to assist in the management of state parks, should honor and preserve chapter 89, Hawaii Revised Statutes, as well as collective bargaining agreements.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Agriculture, Labor and Employment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 196, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 196, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Holt, Ige, Solomon).

**SCRep. 1182      (Joint) Planning, Land and Water Use Management and Agriculture, Labor, and Employment on S.C.R. No. 226**

The purpose of this Concurrent Resolution is to request that the Department of Land and Natural Resources conduct a study on the feasibility of engaging nonprofit organizations to assist in the management of state parks.

Based on testimony received at the hearing, your Committees have amended this Concurrent Resolution to provide that the nonprofit organizations would provide volunteer management staffing, and that any arrangements for nonprofit organizations to assist in the management of state parks, should honor and preserve chapter 89, Hawaii Revised Statutes, as well as collective bargaining agreements.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Agriculture, Labor and Employment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 226, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 226, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Holt, Ige, Solomon).

**SCRep. 1183      Judiciary on S.C.R. No. 232**

The purpose of the resolution is to request the judicial selection commission to provide a code of ethics for the commission, and to request the attorney general to review its opinion regarding the applicability of Chapter 84, Hawaii Revised Statutes, to the commission.

In a legal opinion dated May 8, 1992, the attorney general determined that the State ethics code did not apply to the judicial selection commission because following the code would require the release of confidential information and would thus violate the constitutional right to privacy. The opinion stated that members of the commission were only required to file financial disclosure statements with the State ethics commission. Your Committee believes that a code of ethics should apply to the judicial selection commission. Your Committee recalls representations made last session that the code of ethics would be completed shortly. Therefore, the commission is urged to submit its code of ethics prior to adjournment this session.

Further, your Committee is unable to support the rationale given in the May 8, 1992 Attorney General Opinion for the non-applicability of the state ethics code to the commission and believes that the opinion should be reviewed.

Your Committee received testimony in support of the resolution from the Hawaii State ethics commission and the judicial selection commission.

Your Committee amended the title of the resolution to request the judicial selection commission to provide the legislature with a code of ethics before the adjournment sine die of the 1995 regular session.

Your Committee also amended the resolution by including more complete information regarding the attorney general's opinion and the need for subsequent review of the opinion, along with information regarding the need for a code of ethics to be developed for the commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.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 the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, McCartney).

**SCRep. 1184      Transportation and Government Affairs on S.R. No. 21**

The purpose of this Resolution is to urge the United States Congress to support House Bill, H.R. 602, the Omnibus Territories Act, as it pertains to granting Hawaii jurisdiction over seven territorial islands and atolls.

Presently pending in the Congress of the United States is a bill to give Hawaii the option to exercise concurrent jurisdiction with the United States over seven islands and atolls in the Pacific region: Baker Island, Jarvis Island,

Johnston Atoll, Kingman Reef, Howland Island, Midway Islands, and Palmyra Atoll. Hawaii, through its Governor, may accept or refuse jurisdiction with no time limit placed on the decision.

Your Committee believes that this legislation should be passed by the United States Congress because it serves the greater good of Hawaii in a number of respects, including political, economic, social, historical, strategic interests, and oceanic resources, particularly since Hawaii's future has always been linked with the surrounding seas and its freedom to make wise use of them.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1185      Transportation and Government Affairs on S.C.R. No. 25**

The purpose of this Concurrent Resolution is to urge the United States Congress to support House Bill, H.R. 602, the Omnibus Territories Act, as it pertains to granting Hawaii jurisdiction over seven territorial islands and atolls.

Presently pending in the Congress of the United States is a bill to give Hawaii the option to exercise concurrent jurisdiction with the United States over seven islands and atolls in the Pacific region: Baker Island, Jarvis Island, Johnston Atoll, Kingman Reef, Howland Island, Midway Islands, and Palmyra Atoll. Hawaii, through its Governor, may accept or refuse jurisdiction with no time limit placed on the decision.

Your Committee believes that this legislation should be passed by the United States Congress because it serves the greater good of Hawaii in a number of respects, including political, economic, social, historical, strategic interests, and oceanic resources, particularly since Hawaii's future has always been linked with the surrounding seas and its freedom to make wise use of them.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1186      Transportation and Government Affairs on S.C.R. No. 99**

The purpose of this Concurrent Resolution is to, among other things:

- (1) Request the Department of Business, Economic Development, and Tourism (DBEDT) to accomplish preliminary planning towards the development of a Pacific islands business development master plan in such areas as merchandise trade, services, tourism, and shipping;
- (2) Request DBEDT to include in its planning a report on:
  - (A) The feasibility of establishing a Pacific islands trade representative office;
  - (B) The feasibility of establishing an island exporting division to promote trade;
  - (C) The feasibility of a coordinated tourism program;
  - (D) The feasibility of Honolulu port serving as a staging area for Pacific island cruises;
  - (E) The feasibility of establishing specific merchandise trade routes for modern container shipping linking Honolulu with other Pacific islands;
  - (F) The prospects of direct two-way shipping between Honolulu and other Pacific islands; and
  - (G) The feasibility of establishing a Pacific islands trade fair in Honolulu and of establishing regular trade missions to visit the Pacific islands;
- (3) Request the Governor to work toward developing better commercial relations with Pacific island jurisdictions; and
- (4) Request the President of the Senate and the Speaker of the House to review their decision to withdraw from the Association of Pacific Island Legislatures.

Supportive testimony was received from DBEDT, Sea Land Inc., and the Tonga Honorary Consular Agency. With trade becoming an increasingly important part of government policy both at home and abroad, it behooves the State to develop its own trade policies and plans.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99, S.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1187      Transportation and Government Affairs on S.R. No. 227**

The purpose of this Resolution is to request that the Department of Transportation (DOT), with the cooperation of the counties, conduct a study of reconstructed vehicles.

Specifically, the study is to ascertain how many privately owned reconstructed vehicles there are in each county and in the State; how often these vehicles are involved in accidents; the need for a Statewide safety inspection program; and whether such a program may be funded through special funds or with federal assistance. The Department is also requested to submit its report to the Legislature twenty days prior to the convening of the 1996 Regular Session.

Presently, only counties with a population of 500,000 or more are required to inspect privately owned reconstructed vehicles as to whether they meet state requirements established by the DOT. Thus, the City and County of Honolulu is the only county conducting such inspections.

Favorable testimony was submitted by the DOT and the City and County of Honolulu. The DOT testified that Hawaii County is inspecting such vehicles under its own rules and further suggested that the Legislative Reference Bureau might be the more appropriate agency to conduct the study. The City and County of Honolulu testified as to its experiences inspecting reconstructed vehicles in 1994, and indicated that if such vehicles are a safety concern then county population seems irrelevant.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 227 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1188      Transportation and Government Affairs on S.C.R. No. 265**

The purpose of this Concurrent Resolution is to request that the Department of Transportation (DOT), with the cooperation of the counties, conduct a study of reconstructed vehicles.

Specifically, the study is to ascertain how many privately owned reconstructed vehicles there are in each county and in the State; how often these vehicles are involved in accidents; the need for a Statewide safety inspection program; and whether such a program may be funded through special funds or with federal assistance. The Department is also requested to submit its report to the Legislature twenty days prior to the convening of the 1996 Regular Session.

Presently, only counties with a population of 500,000 or more are required to inspect privately owned reconstructed vehicles as to whether they meet state requirements established by the DOT. Thus, the City and County of Honolulu is the only county conducting such inspections.

Favorable testimony was submitted by the DOT and the City and County of Honolulu. The DOT testified that Hawaii County is inspecting such vehicles under its own rules and further suggested that the Legislative Reference Bureau might be the more appropriate agency to conduct the study. The City and County of Honolulu testified as to its experiences inspecting reconstructed vehicles in 1994, and indicated that if such vehicles are a safety concern then county population seems irrelevant.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 265 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1189      Transportation and Government Affairs on H.B. No. 18**

The purpose of this bill is to clarify the respective roles of the State and the counties relative to the regulation of jitney services.

The bill defines "jitney services" and requires jitney services not regulated by the counties to be under the jurisdiction of the Public Utilities Commission. Conversely, jitney services which are under the jurisdiction of the counties are exempt from regulation by the Public Utilities Commission.

Your Committee received supportive testimony from the Honolulu Public Transit Authority, the Oahu Taxi Owners Association, Inc. (OTOA), and the Leeward Oahu Transportation Association.

Your Committee has amended the bill by reinserting existing statutory language in section 46-16.5(a)(4), Hawaii Revised Statutes, which was inadvertently omitted in House Draft 2.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 18, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 18, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SRep. 1190 Planning, Land and Water Use Management on H.B. No. 251**

The purpose of this bill is to amend the coastal zone management law by requiring the Chairperson of the Board of Land and Natural Resources to publish a notice in the Office of Environmental Quality Control periodic bulletin fifteen days prior to determination of a shoreline.

Based on testimony received from the Board of Land and Natural Resources, your Committee finds that the intent of the amendment appears to be to increase the public comment period from fourteen to fifteen days; however the bill as written restricts the time the land surveyor has to certify the shoreline. Accordingly, your Committee has amended this bill to clarify that the public comments are to be submitted no later than fifteen calendar days following notice of publication, and to make technical, nonsubstantive amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 251, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 251, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Holt, Ige, Anderson).

**SCRep. 1191 Judiciary on H.B. No. 181**

The purpose of the bill is to increase the efficiency of police investigations by permitting the fingerprint records of minors who are taken into police custody to be entered into the Automatic Fingerprint Identification System (AFIS) without a court order.

Testimony in support of the bill was submitted by the attorney general, the judiciary, the Honolulu prosecutor, the Honolulu police department, and the Maui and Hawaii county police departments of Hawaii. The public defender and office of youth services, while basically in support of the bill, had concerns regarding the age limit and the extent of the type of crimes committed which will result in the fingerprints being entered into the system.

Your Committee finds that AFIS has proven to be an effective tool for law enforcement in determining culpability based on fingerprint analysis. Currently, when juveniles are arrested and fingerprinted, those fingerprints are filed with other written records. The inclusion of juvenile fingerprints in AFIS would extend the accessibility to those fingerprints already on file and provide an important investigative resource to address the increasing rate of juvenile crimes.

Your Committee recognizes that the rights of arrested juveniles must be balanced against the public's right to expect that law enforcement personnel have resources available to identify fingerprints recovered from crime scenes. Your Committee believes that this can be accomplished by this measure and has amended the bill to allow fingerprints of juveniles twelve years or older who are taken into custody except for status offenses to be entered into AFIS.

Your Committee has further amended the bill by providing that a child's electronic or physical fingerprint record entered into the identification system shall be purged from the system prior to the child's twenty-sixth birthday to be consistent with the family court rules governing the keeping of written records. However, if there is a non-adjudication determination of the juvenile, the purging of the juvenile fingerprint records from AFIS can be accomplished upon notification by the family court. Your Committee wishes to make clear that juveniles who admit guilt and are placed in certain counselling programs but not formally adjudicated, shall still have their fingerprints retained in the AFIS database.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 181, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 181, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, McCartney, Tam).

**SCRep. 1192 Judiciary on H.B. No. 1502**

The purpose of this bill is authorize the state ethics commission to investigate incomplete financial disclosure statements filed by candidates.

Your Committee received testimony in support of the bill from the State ethics commission and Common Cause Hawaii.

Your Committee finds that under current law, the ethics commission has no adjudicatory power with regard to incomplete disclosures, although it is mandated to release a list of all candidates who have failed to file financial disclosure statements.

Your Committee believes that the ethics commission should be allowed to investigate the adequacy of the financial information provided by all candidates. Your Committee has been assured by the ethics commission that it has the staff and available resources to properly investigate the disclosures submitted to it.

Furthermore, your Committee agrees that the Commission should be granted the authority to issue a public decision, and be authorized to issue a late filing penalty of \$25.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1502 H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsuura).

**SCRep. 1193      Judiciary on H.B. No. 397**

The purpose of the bill is to provide the director of health and the governor with the authority to issue an emergency order without each other's approval when imminent peril to public health and safety is or will be caused by the release or discharge of environmental pollutants.

Your Committee finds that emergency circumstances have existed in the past involving dangerous conditions that could have been reduced or prevented if the Governor's approval was not required for the issuance of an emergency order. Your Committee is aware that such instances may be avoided by granting both the governor and the director clear authority to issue an emergency order when deemed necessary.

Your Committee also finds that an immediate response is necessary to address any improper management of solid and hazardous waste because the impact on our ground and surface water poses a serious threat to public health and safety.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 397, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1194      Judiciary on H.B. No. 1274**

The purpose of the bill is to eliminate the criminal sanctions for a violation of parking control rules promulgated by the comptroller.

Your Committee finds that, because the penalty provisions under Act 214 define parking offenses as misdemeanors and include criminal sanctions such as imprisonment, these offenses are still treated as traffic crimes and cannot be handled in the new decriminalized civil traffic system. The bill deletes the imprisonment penalties to allow cases to be processed in the civil traffic system.

Your Committee received testimony in support of the bill from the judiciary which indicated that parking offenses have already been decriminalized and that the failure to include the offenses specified in the bill was probably an oversight.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1274 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1195      Judiciary on H.B. No. 2049**

The purpose of the bill is to return law enforcement functions and responsibilities for airports and airport parking facilities to the jurisdiction of the department of transportation (DOT) from the public safety department (PSD).

Effective July 1, 1991, security functions at the airport were transferred from DOT to PSD. Federal law, however, requires the operators of airports to provide security in accordance with 14 C.F.R. Part 107, which necessitates DOT's supervision over these personnel rather than by the PSD.

Your Committee received testimony in support of the bill from both the department of transportation and the public safety department.

Your Committee believes that the effective date of July 1, 1995, will provide a smoother transition of the security functions and responsibilities between the two departments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2049, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1196      Ecology and Environmental Protection on H.B. No. 51**

The purpose of this bill is to require the Department of Health (DOH) to adopt a state community noise code which recognizes differences in noise level standards in urban and non-urban areas of the State by June 30, 1996.

Testimony on this measure was divided: DOH supported the intent of it, while the City and County of Honolulu's Department of Public Works (DPW) opposed it. DPW testified against the bill because they believe it would not allow counties the leeway to set their own noise ordinances.

Your Committee finds that the State Attorney General is in the process of reviewing DOH's proposed noise rules. DOH's rules are intended to be a baseline from which counties can adopt their own noise ordinances.

Your Committee intends that this bill serve as a vehicle for further discussion, providing the impetus for DOH and the various county agencies to finalize their respective noise rules and ordinances.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 51, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ikeda, Levin).

#### **SCRep. 1197 Ecology and Environmental Protection on H.B. No. 379**

The purpose of this bill is to prohibit disposal of new, used, or recycled oil generated by commercial businesses and operations in sanitary landfills.

Testimony in favor of this measure was received from the Department of Health (DOH). Opposing testimony was received from the City and County of Honolulu's Department of Public Works (DPW) and Browning-Ferris Industries, Inc. (BFI).

BFI is a commercial trash hauler which, among other services, provides trash bins. BFI's opposition to the bill was based on the assumption that companies such as BFI, who collect or haul trash for other parties, would be penalized if they unknowingly landfilled oil or oil-soaked materials placed into a dumpster or other trash receptacle by one of their clients.

Your Committee has amended this bill by deleting the reference to an exemption in the subsection, and by providing that waste collection companies acting in the normal course of business, in good faith, and after taking preventive measures, who unknowingly landfill oil or oil-soaked debris, would not be subject to the penalties under the chapter.

Your Committee feels that the amendments made to this bill are appropriate and that the overall bill effectively addresses the disposal of oil in this particular arena.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 379, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 379, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ikeda, Levin).

#### **SCRep. 1198 Tourism and Recreation on H.B. No. 1790**

The purpose of this bill, as received by your Committee, is to recognize certain game mammals for cultural and subsistence purposes.

Your Committee finds that our forest resource management policies should recognize the importance of balancing the management and preservation of animal and plant resources within conservation areas. Your Committee further finds that the specific concerns regarding the feral pig have been discussed by hunters, community members, interested organizations, and affected agencies, and addressed in the broader context of the management of all forest resources in conservation areas. Your Committee, therefore, acknowledges the efforts by all parties to work toward a balanced policy and encourages continued commitment to this end.

Testimony in support of this measure was submitted by native Hawaiian hunters and the Department of Land and Natural Resources. Upon further consideration of the testimony presented, your Committee has amended this bill by:

- (1) Inserting language in the legislative findings regarding the introduction of the European boar after western contact with the islands and the subsequent hybridization of the Polynesian pig and the European boar, the more extensive prevalence of the European boar in all areas of native forests, and its collective impact upon the forest resources;
- (2) Inserting language in the legislative findings regarding both limited and increased access to pigs resulting in poaching and a decreased number of pigs available for community members;
- (3) Inserting language in the legislative findings regarding the impact of soil runoff and subsequent siltation on coral reef and marine species;
- (4) Inserting language in the legislative findings acknowledging the discussions between the department of land and natural resources and interested parties regarding the inclusion of concerns in developing forest management plans to ensure that areas remain to continue traditional hunting practices and customs;

- (5) Including references to Chapters 183, 183D, 195, and 195D, Hawaii Revised Statutes, in recognition of taking game mammals for cultural and subsistence purposes;
- (6) Deleting as a condition for recognizing game mammals for cultural and subsistence purposes, that the continued existence of game mammal does not pose a threat to essential or critical habitats of threatened or endangered species; and
- (7) Making technical, nonsubstantive revisions for the purposes of clarity and proper drafting style.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1790, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1790, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Iwase, Liu).

**SCRep. 1199 Education on H.B. No. 1963**

The purpose of this bill is to clarify the mandate for the Department of Education to initiate a school/community-based management system.

This bill repeals the requirement that the Board of Education appoint a representative selection panel to recommend which schools and learning support centers should be selected for participation in the system.

Your Committee received supporting testimony from the Department of Education that the original intent of the selection panel was not fulfilled. Instead of selecting schools, the panel is reviewing the proposals of schools seeking to become school/community-based management schools. The present expectation is that eventually all schools will become school/community-based management schools. Therefore, the selection panel is no longer needed.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1963 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1200 Housing on H.B. No. 867**

The purpose of the bill is to amend section 514A-83.6, Hawaii Revised Statutes, to include in the definition of "emergency situation" extraordinary expenses necessary for the association to obtain adequate insurance for the property which the association must insure.

In the current law, there are four emergency situations in which a board may exceed its budget. However, none of the defined situations will allow a board to exceed its budget to pay greatly increased insurance premiums unless the board goes to court. Condominium associations have faced huge increases in insurance premiums for buildings which lost coverage because their carriers left the State or refused to renew policies in the aftermath of Hurricane Iniki. Unfortunately, an insurance-related emergency situation was not contemplated when the current law was adopted.

Your Committee received favorable testimony from The Real Estate Commission.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 867, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Holt, Taniguchi).

**SCRep. 1201 Housing on H.B. No. 1311**

The purpose of this bill is to authorize waiver of the owner-occupant restriction in section 201E-222, Hawaii Revised Statutes (HRS).

One of the primary objectives of the Housing Finance and Development Corporation (HFDC) is to provide affordable housing for Hawaii's low and moderate income families. Through their housing projects, the HFDC is able to assist those families to become homeowners, who would not otherwise be able to qualify to purchase a home at market value. The homes constructed by HFDC currently have a ten-year owner-occupant restriction, which was instituted as a means to curb speculation abuses, if any, in the resale of the home within the time period. The qualified occupants can not re-sell the residence to the public once escrow closes.

This bill authorizes HFDC to waive the statutory ten-year owner-occupant requirement of the housing law, if they determine on a case by case basis, that such waiver is justified by, hardship circumstances which are unforeseeable such as job or military transfer, a temporary educational sabbatical, or serious illness of the person. The owner-occupant is also entitled to a contested case proceeding under chapter 91, HRS, if the owner occupant disagrees with HFDC's determination.

Testimony in support of the bill was submitted by HFDC and a private citizen. The City and County of Honolulu offered comments on the measure.

Your Committee recognizes that there may be bona fide involuntary, unforeseen circumstances, which may cause a homeowner to be temporarily or permanently in violation of the owner-occupant requirement. Under the current statutes, the HFDC has no other recourse than to go through the eviction process with these homeowners.

Your Committee finds that the enactment of this measure will enable the HFDC to provide alternative options to those homeowners who find themselves unable to conform to the owner-occupant requirement due to extenuating circumstances. The bill has been further amended by:

- (1) Deleting the phrase "unforeseeable job or military transfer, temporary educational sabbatical or serious illness of the person" and replacing it with language reading, "where such inability to reside on the property arises out of extenuating circumstances that are demonstrated by the purchaser; provided that the circumstances are of a personal nature and not due to natural disasters; and
- (2) Incorporating language from S.B. No. 856, S.D. 1, to add a new section to chapter 201E, HRS, authorizing HFDC to include starter homes in each housing project developed by the corporation.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1311, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1311, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 1202      Housing on H.B. No. 1884**

The purpose of this bill is to amend section 201E-2, Hawaii Revised Statutes (HRS), by amending the definition of "qualified resident" by changing "majority interest" to "more than one per cent" and including the term "household member" with the term "spouse."

Supportive testimony was received by the Housing Finance and Development Corporation and the City and County of Honolulu.

Your Committee recognizes that many purchasers of homes are not married to each other but are cohabitating. Thus, in screening for other ownership of lands suitable for dwelling purposes, the term "spouse" is too limiting to encompass all situations. The term spouse or "household member" appears to best capture all living arrangements.

However, your Committee finds that changing the language from "majority interest" to "more than one per cent" may be too severe. Your Committee feels that there are no justifiable figures to warrant changing the additional property ownership qualification from "majority interest" to "more than one per cent". Therefore, your Committee has amended the bill to retain the "majority interest" qualification as contained in the current language of section 201E-2, HRS.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1884, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1884, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 1203      Housing on H.B. No. 2179**

The purpose of this bill is to authorize a condominium board of directors to adopt reasonable rules to regulate the solicitation of proxies or distribution of materials relative to the association. The bill further allows a board to prohibit commercial solicitations, but precludes the board from prohibiting apartment owners from soliciting proxies or distributing materials on common elements.

Your Committee has retained the substantive contents of this bill and added language from S.B. No. 1384, S.D. 1, and H.B. No. 868.

As amended, the bill amends chapter 514A, Hawaii Revised Statutes, to do the following:

- (1) Add a new section on administrative or house rules to require boards to provide notice and copies of any proposed house rule prior to adoption and copies of any adopted house rule;
- (2) Amend the section on the recordation and contents of a declaration to require boards to mail proposed amendments to the declaration and ballots for voting within thirty days of the board's decision to amend, or within thirty days after the receipt of a petition for amendments to the declaration from apartment owners representing 25 per cent of the common interest and to require the recordation of duly adopted amendments, and amended floor plans;
- (3) Amend the section on contents of bylaws to require the inclusion of term limits for board members, and prohibit a director from voting on issues in which the director has a direct personal or pecuniary interest;

- (4) Amend the section on proxies to require additional choices on proxy forms;
- (5) Amend the section on membership list to authorize a condominium board of directors to adopt reasonable rules to regulate the solicitation of proxies or distribution of materials relative to the association, to prohibit commercial solicitations, and to preclude the adoption of rules that prohibit solicitation of proxies or distribution of information on association matters; and
- (7) Delete references in section 514A-96 to a "summary of the annual audit report".

Supportive testimony on the bill and the proposed amendment was received from the Real Estate Commission and a private citizen. Testimony from the Condominium Administration of Aston Hotel and Resorts, the Law Firm of Elisha, Ekimoto and Harada, the Board of Directors of Pearl One Association of Apartment Owners, the Community Associations Institute - Hawaii Chapter, and The Condominium Property Regime Committee of the Real Property and Financial Service Section of the Hawaii State Bar Association expressed opposition to certain provisions of the bill.

Your Committee finds that although the bill as amended may not be amenable to all parties, it is the Committee's intent to improve the existing complex condominium association management provisions and further to support the purpose of the condominium property regime law of self-governance.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2179, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Holt).

#### **SCRep. 1204      Judiciary on H.B. No. 87**

The purpose of this bill, as received by your Committee, is to revise the requirement that pedestrians violating part VII of the traffic code must present identification upon a police officer's demand.

Your Committee received testimony in support of this bill from the Honolulu police department, the Downtown Neighborhood Board, and a concerned citizen.

Your Committee finds that unlike the requirement that a driver operating a motor vehicle must display a driver's license upon the lawful order of a police officer, it is unreasonable for a police officer to order a pedestrian to display identification for a violation of the traffic code unless the pedestrian is providing the officer with false information relating to the person's name and address. Thus, if an officer has specific and articulable facts to believe that a pedestrian is furnishing inaccurate information with respect to the pedestrian's name and address, such as verification from police dispatch that the information is misleading, the officer may order the pedestrian to produce identification.

Your Committee has amended the bill by providing that if a police officer has "reasonable grounds" rather than "reasonable suspicion" to believe that a person is being deceptive or misleading in providing that person's name and address, the person shall then be required to provide proof of identification.

Your Committee has further amended the bill by adding new language providing the counties with the authority to set the amount of traffic violation fines. By providing the counties with this authority, each county will be able to exercise "home rule" in this area and determine their own appropriate schedule of fines. Your Committee has recently become aware that federal matching funds may be available to counties' police departments under the omnibus crime bill if such authority is given. Increasing traffic fines will supplement law enforcement efforts and create an additional source of revenue for law enforcement purposes in the counties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 87 H.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 87, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

#### **SCRep. 1205      Judiciary on H.B. No. 756**

The purpose of the bill, as received by your Committee, is to toll the statute of limitations for bringing a prosecution relating to sexual offenses or child abuse during the time the victim is alive and under the age of 18 years.

Testimony in support of the bill was received from the Commission on the Status of Women, the Honolulu police department, the department of health, the Honolulu prosecuting attorney, and the National Victim Center.

Your Committee finds that the extension of the statute of limitations for crimes involving child victims is important to bring a balance to the criminal justice system which rarely recognizes the special circumstances, vulnerabilities, and cognitive development of children. The extension of the statute of limitations recognizes that it is likely to take much longer for child victims of crime to report a crime to law enforcement.

Your Committee has amended the bill by deleting the proviso clause.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 756, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 756, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsuura, McCartney).

**SCRep. 1206      Judiciary on H.B. No. 813**

The purpose of this bill is to bring state law into compliance with the requirements of the federal law, the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66) relating to establishing paternity.

Specifically, this bill would create a rebuttable presumption of paternity based upon genetic test results indicating a threshold probability of paternity and would provide for the use of voluntary paternity acknowledgement, without further proceedings to establish paternity, as a basis for establishing and enforcing a support obligation through judicial proceedings.

Your Committee finds that this bill will permit the expeditious pursuit of support for Hawaii's children, as well as ensure compliance with a federal mandate.

Your Committee has amended this bill by:

- (1) Requiring, rather than allowing, the use of the voluntary paternity acknowledgement as a basis for establishing and enforcing a support obligation through judicial proceedings; and
- (2) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 813, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 813, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsuura, Anderson).

**SCRep. 1207      Judiciary on H.B. No. 814**

The purpose of this bill is to amend the Uniform Parentage Act (chapter 584, Hawaii Revised Statutes) to make the provision of child support in paternity actions consistent with child support in divorce actions under chapter 580, Hawaii Revised Statutes.

This bill amends section 584-15, Hawaii Revised Statutes, using the same language that is contained in section 580-47, Hawaii Revised Statutes. Specifically, this language provides for the support, maintenance, and education of an adult or minor child and an incompetent child whether or not the application for support is made before or after the child has attained the age of majority.

Your Committee amended this bill to clarify that the proceeding for child support relief is by means of petition rather than application. Therefore, the term "application" has been changed to "petition" on page 1, line 9. For consistency, your Committee has also added a new section 2 to the bill to amend section 580-47(a), Hawaii Revised Statutes, to reflect this change.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 814, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsuura, Anderson).

**SCRep. 1208      Judiciary on H.B. No. 1188**

The purpose of the bill, as received by your Committee, is to prohibit a member of the state ethics commission from holding office for more than 90 days after the expiration of the member's term, and to authorize the commission to fill a vacancy if the governor fails to do so within 60 days after the expiration of a member's term.

Your Committee finds that the law is unclear regarding the length of time a member may hold office after the expiration of a term. Your Committee recognizes that the appointment of a new member needs to be made in a timely manner in order to allow the work of the commission to continue.

Testimony in support of the bill was submitted by the state ethics commission.

After careful consideration, your Committee has amended the bill to extend the period of time a member may hold office from 90 days to 180 days after the expiration of the member's term. Your Committee, however, recognizes that it would be more appropriate for a body other than the commission itself to appoint a new member. Your Committee is concerned that leaving the appointment to the remaining commission members may lead to less responsiveness by the

commission to the public's concerns. Therefore, the bill was also amended to require the judicial council, rather than the ethics commission, to make the appointments from the list of two nominees submitted by the council for the governor in the event of vacancy and a failure by the governor to make the appointment within sixty days after receipt of the list from the judicial commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1188, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, McCartney).

**SCRep. 1209      Judiciary on H.B. No. 1427**

The purpose of this bill is to clarify section 560:3-1201, Hawaii Revised Statutes (HRS), relating to the collection of personal property by affidavit and summary administration of estates of less than \$20,000.

Your Committee received testimony in support of this bill from the Trust Committee of the Hawaii Bankers Association.

Your Committee believes that it is the intent of the legislature that all types of personal property, both tangible and intangible, are transferrable by affidavit pursuant to section 560:3-1201, HRS. However, the current language in the statute is ambiguous. This section is therefore amended to clarify that all such personal property is transferrable by affidavit.

Your Committee also finds that section 560:3-1201, HRS, focuses on a "person claiming to be the successor of the decedent", thus raising a question of interpretation when a decedent leaves more than one successor. The section is therefore amended to clarify that the affidavit procedure is available where a decedent leaves one successor or more than one successor, which is the practice currently being followed.

Finally, although the probate code provides for the collection of a decedent's personal property, it does not require registrars of title, such as stock transfer agents and motor vehicle registration departments, to issue the necessary new indicia of ownership upon the presentation of the affidavit. Your Committee believes that this measure would address this problem by adding a new paragraph which provides that, upon presentation of a proper affidavit, the appropriate registrar of title shall change the registered ownership of the decedent's interest in the property from the decedent to the decedent's claimed successor or successors and issue a certificate or other document evidencing ownership of the property by the claimed successor(s).

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1427 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1210      Judiciary on H.B. No. 1499**

The purpose of the bill, as received by your Committee, is to require public officers and employees to file a short-form financial disclosure statement each odd-numbered year with the state ethics commission. Additionally, this bill would allow long-form disclosures only in an even-numbered year.

Your Committee can appreciate that regular filing of the long-form disclosure statement will reduce confusion for both the individual filing as well as the person reviewing the information provided. A public official's financial interests can sometimes be difficult to determine when the filings are a combination of short-form and long-form disclosure statements. However, your Committee finds no apparent reason to require long-form disclosures when there have been no changes in the financial interests of the public official involved.

Your Committee amended the bill to allow long-form disclosures in odd-numbered years, rather than in even-numbered years, because the amended schedule would give the public the opportunity to review public officials' financial disclosures in the year immediately following elections which are held in even-numbered years.

Your Committee also amended the bill to require financial disclosure statements from members of boards and commissions whose terms of office are longer than one year and whose functions are not solely advisory.

Your Committee believes that board and commission members are entrusted with the authority to profoundly affect the well-being of the public through their rulemaking and quasi-adjudicatory functions. Questions concerning their impartiality, integrity, and fairness are therefore a matter of serious public concern. These questions can be partially answered by public disclosures of these officials' financial interests and holdings.

Your Committee understands that under the current law these officials are required to file financial disclosure statements with the state ethics commission, but these statements are not treated as public records. Your Committee notes that the disclosure statements of other elected and appointed officials, such as legislators, department heads and their deputies, board of education members, office of Hawaiian affairs trustees, and various appointed administrators are deemed public records. These public officials all hold positions which, like that of board and commission members, require the trust of the public. Your Committee finds that the policy behind requiring other public officials to make their financial statements public records should also govern board and commission members.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1499, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1499, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 1211      Judiciary on H.B. No. 112**

The purpose of the bill is to make public the state ethics commission's enforcement process and disciplinary action taken against state officials and employees who violate the state ethics code.

In particular, this bill deletes the provision making it a felony offense to divulge information concerning a charge prior to issuance of a complaint by the commission. The bill also provides, upon the commission's issuance of a notice of hearing, that the charge and further statement of alleged violation and the alleged violator's written response thereto are to be public records. In addition, this bill requires hearings to be open to the public and provides that commission decisions and findings are a matter of public record. With respect to cases of persons removable only by impeachment, the bill provides that complaints and disciplinary actions taken or not taken by the legislature, governor, or appropriate body of the constitutional convention, as appropriate, are to be a matter of public record. Finally, this bill provides that disciplinary actions taken by the civil service commission or other authority with respect to a violation of the ethics code is a matter of public record.

Your Committee agrees with the intent of this bill to make public the hearings, charges, and decisions of the ethics commission, as well as disciplinary actions taken against state employees for violation of ethics laws. Your Committee finds that, currently, the commission conducts its enforcement activities of ethics violations on a confidential basis, resulting in lack of public confidence in the enforcement of state ethics laws and in state government in general. Your Committee believes that opening up the commission's enforcement process to public scrutiny will help to protect the public's interest and restore public confidence in government. At the same time, your Committee finds that the bill protects the privacy interests of state officials and employees from unfounded ethics violations charges, and preserves the rights of an alleged violator to proper notice and ample time to respond to charges before the commission makes a probable cause determination that a violation has been committed.

Your Committee amended the bill to provide that the three-year statute of limitations is to begin from the date of discovery by the commission of an alleged violation of the ethics code. Currently, section 84-31(a)(6), Hawaii Revised Statutes, requires the commission, or anyone else wishing to file a sworn complaint with the commission, to issue a charge within three years of the time an alleged violation occurs. Your Committee believes that this time period, in many cases, is too short to uncover and investigate many ethics violations, especially those that do not come to light for several years. After apparent violations are detected, it is the commission's policy to thoroughly investigate matters before issuing a charge against the alleged violator to ensure that the charge is warranted. Your Committee finds that amending the start of the limitations period to the date of discovery of the alleged violation will allow the commission additional needed time to conduct its investigations, so that the commission is not rushed into filing charges based on abbreviated investigations simply to stop the statute of limitations from running.

The bill was further amended to provide that persons who file frivolous charges with the commission against those covered by the state ethics code are to be held civilly liable to the person charged for all costs incurred in defending the charge, including attorneys' fees. In addition, the person who has been frivolously charged may file an action in the circuit court to recover fees and costs incurred within one year after the commission's decision, which is to be binding on the court with respect to the court's determination of attorneys' fees in a civil action found to be frivolous.

Your Committee finds that unwarranted, frivolous attacks on public servants, while infrequent, are a potential source of harassment, may lead to loss of reputation in the community and termination from the person's employment, may result in hardship and harassment of the person and the person's family, and may discourage the effective fulfillment of the person's public responsibilities. Your Committee believes that this bill will provide state employees and others who are covered by the ethics code with the necessary safeguards to protect them in the course of carrying out their public duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 112, 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. 112, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, McCartney).

**SCRep. 1212      Judiciary on H.B. No. 360**

The purpose of this bill is to extend the repeal date of Act 224, Session Laws of Hawaii 1993, from June 30, 1995 to June 30, 1997. This will continue the authorization for the police department to issue citations by mail to drivers who illegally use high occupancy vehicle (HOV) lanes.

Testimony in support of the bill was received from the Department of Transportation, the Police Department of the City and County of Honolulu, and the Leeward Oahu Transportation Management Association.

Your Committee has been advised that it would defeat the purposes of the HOV lanes to disrupt traffic by stopping motorists to cite them for illegally using the HOV lanes. The Police Department has established a procedure for mailing citations and is prepared to begin enforcement. Your Committee believes that the extension of the repeal date will permit the department to test the efficiency of this procedure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 360 and recommends that it be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1213      Judiciary on H.B. No. 1313**

The purpose of the bill is to allow the office of Hawaiian affairs to establish a successor determination program that would allow those with an interest in homestead leases to determine their legal claim in a 999-year homestead lease.

Your Committee finds that many lessee families are unable to determine the rightful successors to their 999-year homestead lease. Your Committee is aware that documentation of original leases is often lost, resulting in tremendous conflicts and problems within some families. The inability to determine successorship prevents a rightful successor from purchasing a lease. The successor determination program under this bill will be a less costly and friendlier alternative to probate court for native Hawaiian families seeking an interest in a 999-year homestead lease.

Testimony in support of the bill was submitted from the board of land and natural resources and the office of Hawaiian affairs.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1313, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1214      Judiciary on H.B. No. 1800**

The purpose of this bill, as received by your Committee, is to waive liability of employers when an unremunerated student intern works with a private business as a part of the student's vocational or career education program.

Testimony in support of the bill was submitted by the department of labor and industrial relations, the State director for vocational education, West Oahu Employment Corporation, the superintendent of education, the department of education-Leeward district, Hawaiian Electric, and Alvin Nagasako, principal of Nanakuli High School.

Your Committee finds that the department of education and private businesses have been working together to provide students with opportunities to apply knowledge and skills acquired in the classroom through vocational student internship programs. Partnerships with businesses allow students to receive real life work experiences and provide hands-on applications to augment the theoretical academic study that they receive in school.

Your Committee further finds that many businesses have been reluctant to enter partnerships that allow students to intern in the workplace due to the risk of liability as a result of a work-related injury. Your Committee believes that businesses should not be exposed to great financial risk when they participate in internship programs, but also believes that students should not have to forego redress for injuries which have occurred through their participation in an unremunerated internship program.

Upon further consideration, your Committee has amended the bill by adding a new part to the Hawaii Revised Statutes entitled "vocational student internship program" which provides that whenever a student participates in the department's vocational student internship program and works for a private employer, the State will be responsible for purposes of workers' compensation which shall be the student's exclusive remedy against the State and the private employer.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 1800 H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 1215      Judiciary on H.B. No. 2324**

The purpose of the bill, as received by your Committee, is to increase the dollar threshold which triggers the filing of an accident report following a motor vehicle accident.

Presently, a report must be filed when apparent property damage from a motor vehicle accident exceeds \$1,000. Failure to file the report subjects an individual to a fine of up to \$1,000 and imprisonment of not more than one year.

Your Committee is aware that the \$1,000 amount has been in effect since 1989. From 1990 through 1994, an average of 20,686 collisions met the requirements of that threshold and were required to be reported. Testimony received from the Honolulu police department indicates that in order to keep the number of reports at this level, the threshold amount needs to be raised to \$3,000. Your Committee is convinced by the empirical data presented by the police department that the proposed threshold recognizes the inflationary increases in the cost of repairs during the last five years and believes that the \$3,000 threshold figure is appropriate.

Upon further consideration your Committee further amended the bill by deleting the requirement for police to determine fault in the collisions. Your Committee agrees with the police department that the determination of fault in auto accidents is more appropriately administered by the judicial process.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2324, 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. 2324, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1216      Judiciary on S.R. No. 20**

The purpose of the resolution, as received by your Committee, is to request the State administration to review the viability of transferring the marine patrol unit from the department of public safety to the department of land and natural resources.

Testimony in support of the resolution was submitted by the department of land and natural resources (DLNR), the department of public safety, and several concerned citizens. The department of transportation submitted testimony in support of the transfer in previous hearings.

Your Committee is aware of the 1992 auditor's report entitled "A Review of the Transfer of the Marine Patrol Unit and Potential Transfer of the Division of Conservation and Resources Enforcement" which found that the functions of the marine patrol unit were more closely allied with the responsibilities and duties of enforcement of the shoreline and ocean waters, which is under the jurisdiction of the DLNR. The auditor's report recommended that the marine patrol unit be transferred from the department of public safety to the DLNR.

Your Committee believes that the transfer of the marine patrol unit may be appropriate but finds there are still issues to be resolved before the actual transfer occurs. For example, whether the law enforcement function should remain with the department of public safety or be transferred with the marine patrol unit needs to be addressed as well as the potential overlap in law enforcement which may occur. There is also a question of whether the individuals transferred might lose seniority they have acquired with the department of public safety.

Your Committee finds that a review by the administration to assess the viability of transferring the marine patrol unit is warranted. Your Committee has amended the resolution to request a review of the issues surrounding law enforcement authority and seniority of the officers being transferred. Your Committee has further amended the resolution by requesting that the review include input from the Hawaii Boaters Council and the marina boards.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 20, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 20, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Matsunaga, Matsuura, McCartney).

**SCRep. 1217      Judiciary on S.C.R. No. 24**

The purpose of the resolution, as received by your Committee, is to request the State administration to review the viability of transferring the marine patrol unit from the department of public safety to the department of land and natural resources.

Testimony in support of the resolution was submitted by the department of land and natural resources (DLNR), the department of public safety, and several concerned citizens. The department of transportation submitted testimony in support of the transfer in previous hearings.

Your Committee is aware of the 1992 auditor's report entitled "A Review of the Transfer of the Marine Patrol Unit and Potential Transfer of the Division of Conservation and Resources Enforcement" which found that the functions of the marine patrol unit were more closely allied with the responsibilities and duties of enforcement of the shoreline and ocean waters, which is under the jurisdiction of the DLNR. The auditor's report recommended that the marine patrol unit be transferred from the department of public safety to the DLNR.

Your Committee believes that the transfer of the marine patrol unit may be appropriate but finds there are still issues to be resolved before the actual transfer occurs. For example, whether the law enforcement function should remain with the department of public safety or be transferred with the marine patrol unit needs to be addressed as well as the potential overlap in law enforcement which may occur. There is also a question of whether the individuals transferred might lose seniority they have acquired with the department of public safety.

Your Committee finds that a review by the administration to assess the viability of transferring the marine patrol unit is warranted. Your Committee has amended the resolution to request a review of the issues surrounding law enforcement authority and seniority of the officers being transferred. Your Committee has further amended the resolution by requesting that the review include input from the Hawaii Boaters Council and the marina boards.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 24, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Matsunaga, Matsuura, McCartney).

**SCRep. 1218      Tourism and Recreation on S.R. No. 254**

The purpose of this Resolution, as received by your Committee, is to request the Department of Land and Natural Resources to study the feasibility of developing a passive park in Kalihi Valley.

Your Committee finds that Kalihi Valley is densely populated, including industrial, residential, and retail developments with limited recreation areas. Your Committee further finds that for nearly twenty years, the Kalihi Valley community has been seeking the development of a passive park at the head of Kalihi Valley, which has generated interest and support by both the City and County of Honolulu and valley residents. Your Committee notes that Kalihi Valley contains historic and cultural sites which need to be preserved for educational and recreational purposes.

Upon further consideration, your Committee has amended this measure, including its title, by requesting the Department of Land and Natural Resources to work with the Kalihi Valley Neighborhood Board No. 16 to develop a concept for a passive park.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 254, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 254, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Iwase, Liu).

**SCRep. 1219      Tourism and Recreation on S.C.R. No. 302**

The purpose of this Concurrent Resolution, as received by your Committee, is to request the Department of Land and Natural Resources to study the feasibility of developing a passive park in Kalihi Valley.

Your Committee finds that Kalihi Valley is densely populated, including industrial, residential, and retail developments with limited recreation areas. Your Committee further finds that for nearly twenty years, the Kalihi Valley community has been seeking the development of a passive park at the head of Kalihi Valley, which has generated interest and support by both the City and County of Honolulu and valley residents. Your Committee notes that Kalihi Valley contains historic and cultural sites which need to be preserved for educational and recreational purposes.

Upon further consideration, your Committee has amended this measure, including its title, by requesting the Department of Land and Natural Resources to work with the Kalihi Valley Neighborhood Board No. 16 to develop a concept for a passive park.

As affirmed by the record of votes of the members of your Committee on Tourism and Recreation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 302, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 302, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Iwase, Liu).

**SCRep. 1220      Hawaiian Affairs on S.R. No. 110**

The purpose of this Resolution is to honor the Hansen's disease patients sent to Kalaupapa on Molokai by urging the National Park service and the Office of Hawaiian Affairs to design and mount a plaque at the Kalaupapa peninsula on the island of Molokai.

Your Committee finds that the courage and perseverance of those persons afflicted with Hansen's disease and sent to live in isolation on the Kalaupapa peninsula between the years 1866 and 1969, have been a source of pride and strength to the strong Kalaupapa community of today. A plaque to honor the Hansen's disease patients would help to further inspire and educate the present and future generations of their story.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 110 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Graulty, McCartney).

**SCRep. 1221      Hawaiian Affairs on S.C.R. No. 126**

The purpose of this Concurrent Resolution is to honor the Hansen's disease patients sent to Kalaupapa on Molokai by urging the National Park service and the Office of Hawaiian Affairs to design and mount a plaque at the Kalaupapa peninsula on the island of Molokai.

Your Committee finds that the courage and perseverance of those persons afflicted with Hansen's disease and sent to live in isolation on the Kalaupapa peninsula between the years 1866 and 1969, have been a source of pride and strength to the strong Kalaupapa community of today. A plaque to honor the Hansen's disease patients would help to further inspire and educate the present and future generations of their story.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Grauly, McCartney).

**SCRep. 1222 Hawaiian Affairs on S.R. No. 197**

The purpose of this Resolution is to provide an acknowledgement by the Legislature that it supports the efforts of Papa Ola Lokahi and the Native Hawaiian health care systems to improve the health status of Native Hawaiians.

Papa Ola Lokahi is a consortium of public and private agencies, including the state agencies of the Department of Health, the Office of Hawaiian Affairs, the University of Hawaii; and the private, nonprofit organizations Alu Like and E Ola Mau as established by the Native Hawaiian Health Care Improvement Act of 1988 (P.L. 100-570). The Native Hawaiian health care systems Ho'ola Lahui Hawai'i (Kauai and Niihau), Ke Ola Mamo (Oahu), Na Pu'uwai (Molokai and Lanai), Hui No Ke Ola Pono (Maui), and Hui Malama Ola Na 'O'Iwi (Hawaii), are programs recognized and certified by Papa Ola Lokahi to provide for their respective service areas an array of health education and disease prevention programs for Native Hawaiians as mandated by the federal act.

Your Committee finds that since 1991, the federal government has provided support in excess of \$10,000,000 to the Native Hawaiian health care systems in the State of Hawaii. Yet, the State Legislature has not voiced any opinion on this federal initiative. This Resolution allows the Legislature to take a more proactive role by acknowledging its support of the efforts of the agencies involved in the federal program and requiring that the public agencies involved submit an annual report of their efforts to the Legislature. In turn, the annual report will help satisfy the requirement under the Native Hawaiian Health Care Improvement Act that the federally funded agencies identify how they will carry out their mandates to improve the health status of Native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 197, S.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Grauly).

**SCRep. 1223 Hawaiian Affairs on S.C.R. No. 227**

The purpose of this Concurrent Resolution is to provide an acknowledgement by the Legislature that it supports the efforts of Papa Ola Lokahi and the Native Hawaiian health care systems to improve the health status of Native Hawaiians.

Papa Ola Lokahi is a consortium of public and private agencies, including the state agencies of the Department of Health, the Office of Hawaiian Affairs, the University of Hawaii; and the private, nonprofit organizations Alu Like and E Ola Mau as established by the Native Hawaiian Health Care Improvement Act of 1988 (P.L. 100-570). The Native Hawaiian health care systems Ho'ola Lahui Hawai'i (Kauai and Niihau), Ke Ola Mamo (Oahu), Na Pu'uwai (Molokai and Lanai), Hui No Ke Ola Pono (Maui), and Hui Malama Ola Na 'O'Iwi (Hawaii), are programs recognized and certified by Papa Ola Lokahi to provide for their respective service areas an array of health education and disease prevention programs for Native Hawaiians as mandated by the federal act.

Your Committee finds that since 1991, the federal government has provided support in excess of \$10,000,000 to the Native Hawaiian health care systems in the State of Hawaii. Yet, the State Legislature has not voiced any opinion on this federal initiative. This Concurrent Resolution allows the Legislature to take a more proactive role by acknowledging its support of the efforts of the agencies involved in the federal program and requiring that the public agencies involved submit an annual report of their efforts to the Legislature. In turn, the annual report will help satisfy the requirement under the Native Hawaiian Health Care Improvement Act that the federally funded agencies identify how they will carry out their mandates to improve the health status of Native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 227, S.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Grauly).

**SCRep. 1224 Judiciary on S.C.R. No. 290**

The purpose of the concurrent resolution is to request the attorney general to investigate the department of public safety's practices regarding the transfers and releases of prisoners and pre-trial detainees held within Hawaii's correctional facilities.

Your Committee finds that the management of the inmate population within Hawaii's correctional facilities has forced the wholesale transfer of many inmates throughout State facilities, which has led to much public discussion and misgivings regarding the safety of State facilities. Your Committee believes that an investigation by the attorney general of the department's policies and practices regarding transfers and releases will provide valuable information for the public as well as for the legislature and the administration.

Your Committee received testimony in support of the resolution from the department of public safety.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 290, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Chumbley).

**SCRep. 1225 (Joint) Consumer Protection and Judiciary on H.B. No. 775**

The purpose of this bill is to enact a new statutory chapter for endowment funds.

The new chapter is entitled "Uniform Management of Institutional Funds Act." It is promulgated by the National Conference of Commissioners of Uniform State Laws and has been adopted in thirty-eight states. The chapter clarifies the rights and sets standards of conduct of governing boards of educational, religious, charitable, and other eleemosynary organizations, including hospitals and colleges, particularly as to investment responsibilities. The intent of the bill is to enable endowment funds to preserve their assets over time so as to continue their philanthropic mission, thereby increasing their grantmaking ability for the public good.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 775 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 3 (Aki, Matsuura, Tam).

**SCRep. 1226 Consumer Protection on H.B. No. 7**

The purpose of this bill is to clarify the requirements for new motor vehicle temporary license plates.

This bill prohibits any drawings, pictures, or words on temporary license plates, other than information that is required by law. A fine of not more than \$500 will be imposed against any new motor vehicle dealer in violation of this law.

Your Committee finds that temporary license plates from new motor vehicle dealers have been graced with scribbling which looks like advertising, which is inappropriate for license plates. This bill would remedy that problem.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 7, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1227 Consumer Protection on H.B. No. 26**

The purpose of this bill is to allow increased flexibility in transporting motor vehicles interisland.

Under current law an owner of a vehicle is required to present a current certificate of ownership and a current no-fault identification card to the shipper before a motor vehicle may be shipped interisland. The bill would allow a legal owner to ship upon presentation of a current certificate of registration, picture identification, and a current no-fault identification card. On the other hand, a registered owner who is not the legal owner is required to present a current certificate of registration, current no-fault identification card, and a notarized consent of the legal owner.

Your Committee amended the bill to replace the word "transportation" with the word "shipping" in section 286-271(b), Hawaii Revised Statutes, to make it clear that consent is to the shipping of the vehicle.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 26, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 26, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1228 Consumer Protection on H.B. No. 552**

The purpose of this bill is to allow financial services loan companies to charge nonrefundable discount, points, loan fees, and loan origination charges on unsecured consumer loans to lessees of land subject to the Hawaiian Homes Commission Act. Presently, section 412:9-304, Hawaii Revised Statutes (HRS), prohibits such charges on simple interest consumer loans, unless secured by an interest in real property.

Under the Hawaiian Homes Commission Act, a mortgage on a lessee's leasehold interest is permitted only under a few special permanent mortgage programs insured by the Farmers Home Administration, Federal Housing Administration, and the Veterans Administration. Lessees can only get permanent long term loans from a few lenders who use these special government insured loan programs. Conventional mortgages are not available. Until recently, no financing for construction or home improvement loans were available. One or two banks are now offering construction and home improvement loans to lessees, on which they may charge points.

Financial services loan companies are interested in making unsecured and home equity loans to Hawaiian home lands lessees but they find it uneconomical to provide these loans because points cannot be charged pursuant to section 412:9-304(4)(B), HRS. This bill provides a means to enable these financial institutions to extend credit to homestead lessees.

Supportive testimony was received from the Hawaii Financial Services Association, Inc. The Commissioner of Financial Institutions, Department of Commerce and Consumer Affairs, also submitted comments on this bill. Your Committee believes that this bill will increase the loans available to finance construction and home improvements for lessees of Hawaiian Home Lands.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 552 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1229 Consumer Protection on H.B. No. 530**

The purpose of this bill is to require the Insurance Commissioner to grant a certificate of authority to any applicant, regardless of the number of previous years experience in the business of insurance, that is an insurer licensed under the insurance laws of one of not less than three states annually designated by the Insurance Commissioner from among the states which are accredited by the National Association of Insurance Commissioners.

Your Committee finds that this measure will make it easier for qualified foreign insurers to enter the Hawaii insurance market, and is therefore in the public interest of promoting greater competition and a reduction in insurance rates for Hawaii's consumers.

Your Committee has amended this measure by clarifying that the Insurance Commissioner may still require a foreign insurer to proceed with the formal accreditation process if the Commissioner determines, in the Commissioner's discretion, that such action is in the public interest. Your Committee has also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 530, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 530, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1230 Consumer Protection on H.B. No. 605**

The purpose of this bill is to allow lessors of rental motor vehicles to offer lessees the option of purchasing a full tank of fuel from the lessor at a price that does not exceed the locally prevailing retail market price. If this fuel purchase option is taken and the car is driven a hundred miles or less, the consumer will be credited with the original charge for purchase of a full tank and charged only the refueling charge and surcharge.

Under current law, a consumer leasing a car may return the car with a full tank of fuel or return the car with less than a full tank of fuel and pay the car rental company a refueling service charge that equals the cost of gasoline to fill the tank and a surcharge for labor equal to fifty per cent of the cost of the gasoline to refuel.

Your Committee finds that this measure is in the public interest, as it offers consumers a new option when leasing cars in the State, one which is currently available on the mainland in all states.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 605 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1231 Consumer Protection on H.B. No. 553**

The purpose of this bill is to increase the amount of insurance premiums which may be charged by a financial services loan company under section 412:9-304, Hawaii Revised Statutes, from \$4 to \$20.

This bill also makes several technical, nonsubstantive corrections to sections 412:9-200 and 412:9-304, Hawaii Revised Statutes (relating to the general powers of financial services loan companies, and consumer loan charges, respectively).

Your Committee finds that this measure is in the public interest, as it will allow financial services loan companies to charge competitive fees for their consumer loan insurance products.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 553, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1232 Consumer Protection on H.B. No. 554**

The purpose of this bill is to permit a depository financial services loan company to invest its assets in diversified mutual funds that have been in existence for at least five years; provided that the aggregate amount invested by it in any one diversified mutual fund shall not exceed twenty per cent of its capital and surplus.

Your Committee finds that the inclusion of diversified mutual funds in the types of investments that depository financial services loan companies may engage in will enable the smaller loan companies to have a more diverse portfolio under professional management, which in turn, will provide greater liquidity while lowering investment risk.

Your Committee therefore believes that this measure is in the public interest of promoting a prosperous and stable financial services industry.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 554 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1233 Consumer Protection on H.B. No. 556**

The purpose of this bill is to allow financial services loan companies to impose charges on an open-end consumer loan for participation in an open-end loan account and payment of items that overdraw an open-end loan account.

The effect of this bill would be to permit financial services loan companies to charge an annual fee and over-limit charges when open-end credit is extended. According to supporting testimony of the Commissioner of Financial Institutions, these charges were allowed under previous law but were inadvertently omitted in the recodification of the Code of Financial Institutions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 556 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1234 Consumer Protection on H.B. No. 871**

The purpose of this bill is to provide a cost efficient, fair, and equitable method by which time share associations may collect unpaid assessments from delinquent time share owners by, among other things:

- (1) Establishing the assessments by time share associations as a lien on the time share intervals of delinquent owners; and
- (2) Providing these associations with the authority to collect unpaid assessments liens by utilizing similar foreclosure procedures provided in the Mortgage Foreclosures law.

Your Committee has amended the bill by deleting its substance and inserting therefor provisions that empower the counties, as of January 1, 1996, to regulate time share associations and units and repeal chapter 514E, Hawaii Revised Statutes, relating to time sharing plans.

Your Committee finds that the practice of purchasing an interest in "time share" real property, defined in section 514E-1, Hawaii Revised Statutes, as "any interest in a time share unit or plan that entitles the owner or holder thereof to the use, occupancy or possession of a time share unit on a periodically recurring basis," has become a popular alternative to utilizing traditional transient accommodation facilities across the nation. Many purchasers of time share interests find it more economically feasible in the long term to be a part owner in a time share unit and have the guaranteed use of the unit for a portion of the year rather than be subject to the availability and seasonal rate fluctuations of hotels.

Additionally, hotel operators who are faced with lower occupancy rates and higher costs, are finding it more economically feasible to convert existing hotel properties into time share units, thereby reducing operating costs and creating a steady revenue stream.

Your Committee also finds that this practice of purchasing "time share" real property has spread to Hawaii and has greatly proliferated within the past few years. Currently, a number of major resort and hotel properties in Hawaii are considering the conversion from hotel to time share. If this were to occur, the resultant removal of transient accommodation units from the overall hotel room pool could cause a noticeable reduction in revenue derived from the State's transient accommodations tax, the majority of which is allocated to the counties on a pro rata basis and comprises a substantial portion of county revenue. Although in the past the legislature has enacted laws to regulate the sale and administration of time share plans and units to ensure that scrupulous management practices are followed, the legislature believes that the reduction in transient accommodations tax revenue that would result from the conversion of hotel rooms into time share units will pose the most direct impact on the counties.

Your Committee therefore believes that empowering the counties to regulate and license time share associations and units are in the best interest of the counties in that the counties would have another method of generating fee revenue for

its purposes that is uninterrupted by State intervention and free from the central services charge currently imposed upon transient accommodations tax allocations.

Your Committee also notes that the provisions of this bill are not subject to Article VIII, section 5, of the Constitution of the State of Hawaii, and that the counties may utilize the powers conferred to it by the State under the bill to generate additional fee revenues to carry out its general functions and duties.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 871, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1235 Consumer Protection on H.B. No. 873**

The purpose of this bill is to amend chapter 508D, Hawaii Revised Statutes, relating to mandatory disclosures in real estate transactions. The bill provides an exemption for the sale of time share interests duly registered under a current effective disclosure statement pursuant to chapter 514E, Hawaii Revised Statutes. The bill further postpones the effective date of chapter 508D until July 1, 1996.

Favorable testimony was received from All Islands Timeshare Resales, the Real Estate Commission, the Hawaii Association of Realtors, and a private citizen. Testimony by the Real Estate Commission indicated that delay of the effective date of this bill was not justified. All interested parties were earlier consulted in the feasibility study which led to Act 214, SLH 1992, now codified as chapter 508D, Hawaii Revised Statutes. No concerns were raised then as to the effective date, and no good reason is advanced now for delaying the effective date of the law. Moreover, your Committee finds that the Commission and the real estate community have proceeded with plans and training based on the July 1, 1995, effective date.

Accordingly, your Committee has amended the bill to delete the provision that would have extended the effective date and to change the effective date of this bill from July 1, 1996 to "upon approval".

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 873, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 873, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1236 Consumer Protection on H.B. No. 896**

The purpose of this bill is to repeal the sunset date of June 30, 1995, for the mandated health insurance coverage for newborn adoptees.

This bill makes permanent the mandated health insurance coverage for newborn adoptees.

Your Committee received supporting testimony from the Hawaii Medical Services Association that this bill would not present an increase in premiums.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 896, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1237 Consumer Protection on H.B. No. 994**

The purpose of this bill is to clarify ambiguous language in the Mandatory Seller Disclosures in Real Estate Transactions law by, among other things:

- (1) Requiring that any action for rescission brought under the aforementioned law, commence prior to the recorded sale of the real property;
- (2) Clarifying that the seller's duty to amend the disclosure statement with respect to subsequent acts that affect the accuracy of the initial statement applies only if the seller discovers the inaccuracy prior to the recorded sale of the real property; and
- (3) Clarifying that the provisions of the Mandatory Disclosures in Real Estate Transactions Law do not apply to new condominium sales.

This bill would ensure that the disclosure law does not unintentionally invite attempts to reverse real estate transactions after all documents have been recorded, financing has been extended, title and property insurance are in place, and replacement property is identified and purchased.

The bill would also clarify that sellers do not have a duty to monitor properties for modifications that affect material facts after ownership has changed hands. Otherwise, no sale could really be considered final for two full years after closing, and the seller may encounter legal complications twenty-four months after the sale of the real property.

Favorable testimony in support of this bill was received from the Hawaii Association of Realtors, the Real Estate Commission, and the Hawaii Resort Developers Conference. Testimony by the Commission, however, indicated that exemption of initial sales of new condominiums not under a current public offering statement would defeat the intent of the law and was inconsistent with other statutes with similar disclosure requirements. Accordingly, your Committee has amended the bill to delete the provision which would have exempted from the disclosure requirements, initial sales of new condominiums.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 994, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Iwase, Anderson).

**SCRep. 1238 Consumer Protection on H.B. No. 1096**

The purpose of this bill is to clarify the scope of practice for physical therapists.

Specifically, the bill:

- (1) Provides that physical therapists are allowed to utilize qualified assistants in their practice; and
- (2) Requires the Board of Physical Therapy to establish qualification requirements for physical therapy assistants.

Your Committee believes that these clarifications are necessary to allow duly licensed physical therapists to effectively carry out their practice while concurrently ensuring that the public is provided with quality health care services.

Your Committee has amended the bill to delete the amendment to section 461J-3(b) as removal of the phrase "or physical therapist support personnel" would preclude physical therapy students from participating in internships and practicums and that is not your Committee's intent. A technical amendment that has no substantive effect was also made.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1096, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1239 Consumer Protection on H.B. No. 1169**

The purpose of this bill is to conditionally permit optometrists licensed in this State to prescribe therapeutic pharmaceutical agents (TPAs).

Specifically, the bill:

- (1) Requires the certification of optometrists to use TPAs, including the selection of an appropriate examination, to be done by the Board of Medical Examiners;
- (2) Requires the formulary of TPAs to be established by the Board of Medical Examiners in consultation with the University of Hawaii School of Medicine;
- (3) Creates a two-tier system of TPA-licensed optometrists, permitting optometrists who work under the supervision of an ophthalmologist in a clinic or hospital to administer and prescribe topical TPAs for conditions as permitted by the Board of Medical Examiners upon passage of an examination, and requiring other optometrists to meet educational and clinical requirements established by the Board of Medical Examiners before being entitled to administer or prescribe TPAs; and
- (4) Limits the law to a five-year period, requiring an interim report by the Board of Medical Examiners, and requiring a joint report by the Board of Medical Examiners and the Board of Examiners in Optometry at the end of the five year period to determine whether the scope of the law should be increased, narrowed, or abolished altogether.

Your Committee finds that the scope of optometric education has changed over the years, with increased emphasis placed on clinical training in the diagnosis and treatment of diseases and disorders of the eye. Your Committee also finds that forty-one states already permit licensed optometrists to use some type of TPAs. Your Committee is well aware of the debate over this issue and has witnessed heated discussions over it for a number of years. To this end, the Legislative Reference Bureau report In the Eye of the Beholder: the Feasibility of a Therapeutic Drug Law for Optometrists in Hawaii thoroughly details the arguments both for and against TPAs in Hawaii. In particular, the report notes that:

- (1) Ophthalmologists nationwide and in Hawaii have serious concerns over patient safety under a TPA law;
- (2) Optometrists receive less training in diagnosis and treatment of eye disease than do ophthalmologists;
- (3) The more recent optometry graduates have some classroom and clinical training in eye disease diagnosis and treatment, but older optometrists do not necessarily possess the same level of training in this area;
- (4) The enactment of a TPA law might result in cost savings to consumers and might facilitate the continued development of managed care in the treatment of eye disease; and
- (5) The passage of a TPA law might enhance the availability, convenience, and accessibility for patients in need of treatment.

Your Committee has amended the bill by:

- (1) Requiring the Board of Optometry, in conjunction with the Board of Medical Examiners and in consultation with the University of Hawaii School of Medicine, to develop a process to certify optometrists to use topical TPA's under chapter 459, Hawaii Revised Statutes, which includes the selection of an examination as a basis for the certification and a determination of the requirements necessary to qualify for clinical experience;
- (2) Requiring the Board of Optometry, in conjunction with the Board of Medical Examiners and in consultation with the University of Hawaii School of Medicine, to establish a TPA formulary for optometrists that includes the designation of which conditions may be treated; provided that:
  - (A) Treatment for glaucoma shall not be allowed;
  - (B) The formulary shall not include any of the controlled substances enumerated in section 329-14, 329-16, 329-18, 329-20, or 329-22, Hawaii Revised Statutes; and
  - (C) Optometrists shall not prescribe, dispense, or administer pharmaceutical agents by injection, nor prescribe, dispense, or administer oral pharmaceutical agents; except those available without prescription;
- (3) Amending section 459-1, Hawaii Revised Statutes, to empower the Board of Optometry to authorize optometrists certified to administer topical therapeutic pharmaceutical agents to do so after June 30, 1996, pursuant to a TPA formulary established by the Board; and
- (4) Requiring the Board of Optometry and the Board of Medical Examiners to submit a joint report to the 1996 Legislature on the progress made in developing the formulary and the certification requirements, including information on the testing and clinical requirements as required under the bill.

Your Committee believes that a cautious approach to establishing a TPA law in Hawaii is warranted. While other states' experience may be looked to for guidance, the controlling criterion for the Legislature is the health and welfare of Hawaii residents. With the limited data available, your Committee agrees with the approach this bill provides. It is your Committee's hope that ophthalmologists and optometrists will work together, with data rather than accusations, to reach a compromise that will provide the maximum benefit to Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1169, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1169, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

#### **SCRep. 1240 Consumer Protection on H.B. No. 1217**

The purpose of this bill is to allow the insurance commissioner to issue a limited license to any individual who sells policies of individual or group credit personal property insurance or group credit involuntary unemployment insurance.

This bill would enable financial services loan companies to write these policies under the same umbrella as group credit life and accident and health insurance for loan applicants. These types of insurance protect a loan customer against losses occurring from involuntary job loss or loss of a rented home or apartment through fire.

Your Committee finds that this bill would benefit consumer loan customers by facilitating the issuance of insurance to protect their assets while the loan is outstanding.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1217 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

#### **SCRep. 1241 (Majority) Consumer Protection on H.B. No. 1244**

The purpose of this bill is to make permanent the regulation of activity providers and activity desks by repealing the sunset date.

Your Committee received overwhelming testimony in support of permanent regulation relating to activity providers and the registration of activity desks. Testimony offered by the Hawaii Visitors Bureau, Department of Commerce and Consumer Affairs (DCCA), and a number of other private groups related to the visitor industry, indicated the importance of this bill in protecting the consumer, and maintaining the high standard of quality within the industry.

Upon further consideration, your Committee has amended this bill to provide for the transfer of regulatory authority over activity providers and activity desks from DCCA to the counties. Specifically, the bill has been amended by extending the repeal date of the activity provider and activity desk law to December 31, 1995, and to require the counties, effective January 1, 1996, to adopt ordinances to regulate the activity providers and activity desks, including the establishment of fees.

Your Committee notes that the provisions of this bill are not subject to Article VIII, section 5, of the Constitution of the State of Hawaii, and that the counties may utilize the powers conferred to it by the State under the bill to generate additional fee revenues to carry out its general functions and duties.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1244, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, 1 (Levin). Excused, 2 (Aki, Anderson).

**SCRep. 1242 Consumer Protection on H.B. No. 1282**

The purpose of this bill is to clarify the procedures relating to the handling of claims involving cashier's, teller's, and certified checks that are claimed to have been lost, stolen, or destroyed.

Your Committee finds that in order to assert a claim under this bill, the claimant must communicate the loss to the issuer of the cashier's or teller's check, or the acceptor of a certified check, describing the check with reasonable certainty. A claim shall be considered valid if:

- (1) The person, in the case of a certified check, is the drawer or payee, or in the case of a cashier's or teller's check, is the remitter or payee;
- (2) The communication contains or is accompanied by a statement that states the following:
  - (A) The person lost possession of the check;
  - (B) The person, in the case of a certified check, is the drawer or payee of the check, or in the case of a cashier's or teller's check, the remitter or payee of the check;
  - (C) The loss of possession was not the result of a transfer by the declarer or a lawful seizure; and
  - (D) The person cannot reasonably obtain possession of the check because the check was destroyed, its whereabouts cannot be determined, or it is in the wrongful possession of an unknown person.

The bill also establishes procedures for these types of claims and provides protection to financial institutions with respect to the enforcement of claims.

Your Committee finds that existing procedures only allow the named payee of such a lost, stolen, or destroyed negotiable instrument to have standing in such claims. Consequently, in the event that the maker of a check becomes aware of a loss, the maker has no authority to assert a claim.

Your Committee believes that the procedures contained and the protections afforded in the bill provide the necessary assurances to all parties involved in transactions that utilize such negotiable instruments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1282 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1243 Consumer Protection on H.B. No. 1376**

The purpose of this bill is to allow state-chartered financial institutions to invest in limited partnerships formed to invest in low-income housing projects.

Your Committee finds this measure will permit Hawaii's state-chartered financial institutions to invest in low-income rental housing partnerships without the Commissioner of Financial Institutions' approval, thereby allowing state-chartered financial institutions the same investment abilities as nationally-chartered institutions. Your Committee further finds that

this measure will streamline the process, shorten the development timeframe, reduce the Commissioner's workload, and place state-chartered financial institutions on par with national banks.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1376, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1244 Consumer Protection on H.B. No. 1385**

The purpose of this bill is to clarify the food, drug, and cosmetic law as to generic drug substitution for prescriptions.

This bill establishes prescription procedures for generic substitution. This bill also deletes "dispenser" and inserts "pharmacist"; deletes "prescriber" and inserts "practitioner"; and amends the affected sections accordingly. The definitions section is amended to apply to the entire chapter and not just part VI.

Your Committee finds that allowing generic drug substitutions for brand name drugs upon strict procedures serves to benefit the public in terms of costs. This is permitted under current law by specific handwritten instructions, but this bill provides for typewritten procedures to facilitate ease of processing. The other amendments are for conformity.

Your Committee received supporting testimony from the Hawaii Pharmaceutical Association and the Epilepsy Foundation of Hawaii.

Your Committee has amended this bill by adding amendments to section 328-92(d), Hawaii Revised Statutes, to conform to the rest of the bill. In addition, your Committee made technical, nonsubstantive amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1385, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1385, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1245 Consumer Protection on H.B. No. 1557**

The purpose of this bill is to clarify that only those persons licensed under chapter 457, Hawaii Revised Statutes, may use titles and abbreviations designated and adds the use of A.P.R.N. for advanced practice registered nurses. The bill also clarifies the authority of the Board of Nursing in adopting rules relating to the scope of nursing, and the delegation of nursing tasks based upon established nursing standards.

Your Committee received testimony supporting this bill from the Department of Health, the Board of Nursing, and the Hawaii Nurses' Association.

Your Committee has amended this bill by inserting additional language to clarify use of the title "A.P.R.N.", and made other technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee 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 placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1246 Consumer Protection on H.B. No. 1921**

The purpose of this bill is to enact a new statutory chapter for Medicaid-related mandates to conform with the requirements of federal law relating to health insurance and the Medicaid Program.

Under the Omnibus Budget Reconciliation Act of 1993, states are mandated to adopt legislation as follows:

- (1) To prohibit insurers from taking Medicaid eligibility into account when providing insurance coverage;
- (2) To require insurers to provide group health plan coverage for dependent adopted children of Medicaid beneficiaries or participants; and
- (3) To provide for insurance coverage for dependents involved in child support situations.

Your Committee received supporting testimony from the State Insurance Commissioner that this bill is necessary to allow the State to continue to receive federal matching funds for the Medicaid program.

Your Committee has amended this bill by making technical, nonsubstantive amendments for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1921, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1921, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1247 Consumer Protection on H.B. No. 1927**

The purpose of this bill is to correct minor inconsistencies between corporate and partnership statutes and to clarify certain corporate and partnership provisions.

Your Committee finds that these corrections and clarifications will assist the Department of Commerce and Consumer Affairs to operate in a more efficient manner in handling documents relating to corporations and partnerships. Your Committee acknowledges the concerns of the Department of Attorney General regarding the assessment of fees to access computerized records within the Business Registration Division of the Department of Commerce and Consumer Affairs.

Upon further consideration, your Committee has amended this bill by inserting an amendment to section 26-9, Hawaii Revised Statutes (HRS), to allow the Director of Commerce and Consumer Affairs to charge fees which reflect the commercial value of the computerized records of the Business Registration Division. These fees would be adopted, in accordance with chapter 91, HRS, for copies in any form of media of computerized records of the division and to allow the department to reduce or waive fees in the case of requests by nonprofit organizations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee 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 placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1248 Consumer Protection on H.B. No. 1928**

The purpose of this bill is to repeal existing law requiring charitable organizations conducting charitable solicitations to inform donors of their right to be deleted from donor mailing lists and to have procedures to effect such a deletion.

Your Committee finds that existing law in this regard is extremely difficult to enforce; tends to disadvantage charitable organizations who engage in the sale, lease, or trade of mailing lists and who are not members of a mailing list clearinghouse (since these clearinghouses provide accurate name purging services, the absence of which may render mailing lists unmarketable); and mandates the use of a so-called "negative option" in donor solicitations (i.e., a presumption of consumer consent that can be rebutted only by affirmative action on the part of the consumer).

In light of the foregoing findings, your Committee believes that this measure is necessary to eradicate the potential for consumer abuse.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1928 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1249 Consumer Protection on H.B. No. 1929**

The purpose of this bill is to make a technical amendment relating to the definition of "capital" of a financial institution.

This administrative measure makes a technical amendment to the definition of capital of a financial institution as stated in section 412:1-109, Hawaii Revised Statutes, which was enacted as part of Act 350, 1993, Session Laws of Hawaii (SLH). The measure clarifies the words "mutual association" by adding the words "savings and loan" without changing the intent of Act 350, 1993, SLH.

Your Committee received testimony in strong support of this measure from the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1929 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1250 Consumer Protection on H.B. No. 1930**

The purpose of this bill is to make a technical correction to section 412:2-309, Hawaii Revised Statutes, dealing with consent orders of removal or prohibition for any financial institution-affiliated party.

Your Committee finds that this measure is necessary to correct an inadvertent error in codification which will not affect the intent of the underlying legislation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1930 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1251      Consumer Protection on H.B. No. 1932**

The purpose of this bill is to provide the Commissioner of Financial Institutions (Commissioner) with some flexibility when an incorrect report is submitted by a financial institution.

This administrative measure would give the Commissioner the discretion, for good cause shown, to grant a reasonable extension of time of not more than forty-five days for making and filing such report.

Your Committee received testimony in strong support of this measure from the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1932 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1252      Consumer Protection on H.B. No. 1933**

The purpose of this bill is to clarify the requirements of the Code of Financial Institutions as it relates to the Hawaii Business Corporation Act in conversion, merger, or consolidation situations.

This administrative measure clarifies the procedures necessary to convert, merge, or consolidate financial institutions and harmonizes the process with the requirements of chapter 415, Hawaii Revised Statutes.

Your Committee received testimony in strong support of this measure from the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1933 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1253      Consumer Protection on H.B. No. 1934**

The purpose of this bill is to correct an erroneous reference to a section of law.

This administrative measure corrects an erroneous reference to a section of law that does not exist which is stated in section 412:4-101, Hawaii Revised Statutes.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1934 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1254      Consumer Protection on H.B. No. 1935**

The purpose of this bill is to allow trust companies to issue drafts.

Your Committee finds that the provision contained in section 412:8-200, Hawaii Revised Statutes, which prohibits trust companies from issuing drafts, could be interpreted to mean that trust companies may not write checks against their checking accounts, as the term "draft" includes checks and the writer of the check is considered the issuer. The bill eliminates this ambiguity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1935 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1255      Consumer Protection on H.B. No. 1936**

The purpose of this bill is to require the prior written approval of the Commissioner of Financial Institutions (Commissioner) for any proposed changes to a credit union's field of membership.

The bill would grant the Commissioner the same authority over state chartered credit union fields of membership as exercised by the National Credit Union Administration over federally chartered credit unions.

Your Committee believes that the bill's intent is consistent with the State's financial institutions law and federal regulations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1936 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1256      Consumer Protection on H.B. No. 1937**

The purpose of this bill is to conform state law with interstate banking legislation passed by the United States Congress and which will take effect on September 29, 1995.

The bill preserves the ability of the Commissioner of Financial Institutions (Commissioner) to act expeditiously when a financial institution fails by allowing the Commissioner to accept an application for supervised acquisition of a failing financial institution in the State by a bank holding company as defined under the federal Bank Holding Act of 1956, as amended, that is adequately capitalized and managed. The bill also preserves the Commissioner's ability to waive certain statewide concentration limits in dealing with a failing financial institution situation.

Your Committee believes that the bill will allow the Commissioner to effectively and expeditiously carry out mandated functions with regard to mitigating the detrimental effects of a failing financial institution within the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1937, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1257      Consumer Protection on H.B. No. 1939**

The purpose of this bill is to protect the privacy interests of licensed massage therapists to the same extent as other professions licensed within the Department of Commerce and Consumer Affairs.

Your Committee finds that under the existing law regulating the practice of massage therapy, the records of the Board of Massage Therapy are available for public inspection in their entirety. Your Committee further finds that this measure will place the inspection of the Board's records under the same provisions as other professional boards which are governed by the Uniform Information Practice Act and not by specific reference in the Board's regulatory statutes.

Upon further consideration, your Committee has amended this bill by changing the effective date to July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1939, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1939, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1258      Consumer Protection on H.B. No. 1940**

The purpose of this bill is to clarify the requirements for pharmacy prescription orders from practitioners and for licensing of out-of-state pharmacists seeking a Hawaii state license.

Specifically, the bill requires applicants for licensure to prove that they do not have an encumbered license or pending disciplinary action or complaint in the practice of pharmacy in another jurisdiction. An applicant must also demonstrate proficiency in English if the pharmacy school from which the applicant has graduated is located in a country where the official language is not English. This bill also clarifies the requirements for filing a form prior to taking the exam in this State or in another state pursuant to the National Association of Boards of Pharmacy Score Transfer Program.

Under this bill, pharmacists are allowed to fill orders or prescriptions from any practitioner, including out-of-state practitioners, licensed by the State to prescribe prescription drugs within the scope of the practitioner's practice. These practitioners are also allowed to dispense prescription drugs themselves. Your Committee finds that this amendment is necessary because of statutory amendments enacted in 1994 which grant limited prescriptive authority to advanced nurse practitioners. The other amendments of this administration bill are of a housekeeping nature.

Your Committee received supporting testimony from the Board of Pharmacy of the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1940, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1259 Consumer Protection on H.B. No. 1942**

The purpose of this bill is to allow the Department of Commerce and Consumer Affairs to immediately enforce current provisions of chapter 436B, Hawaii Revised Statutes (HRS), without the need to promulgate rules.

Your Committee finds that chapter 436B, HRS, was enacted to place within a single chapter common provisions found in the individual licensing and regulatory laws under the Department of Commerce and Consumer Affairs. Your Committee further finds that chapter 436B, HRS, has streamlined the individual licensing laws by ridding them of provisions that are administrative in nature and allowing substantive provisions relating to specific licensure requirements to be the basis of the individual laws.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1260 Consumer Protection on H.B. No. 1943**

The purpose of this bill is to clarify the powers and duties of the Contractors License Board within the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure clarifies various requirements of the licensing board related to unlicensed experience, evidence of workers compensation coverage, bonding to restore a forfeited license, disclosures when contracting for new home construction, and other administrative provisions. Your Committee further finds that the periodic modification of the professional licensure statutes is necessary to address consumer concerns and current practices within the profession.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1943, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aki, Anderson).

**SCRep. 1261 Consumer Protection on H.B. No. 2204**

The purpose of this bill is to provide that any mortgage loan transaction secured in whole or in part by a guarantee or a commitment to insure under the Small Business Act (SBA), and the Small Business Investment Act is exempt from the State usury law.

This measure adds SBA "Section 7(a)" loan transactions, made with or without companion "piggyback" financing, and SBA "Section 504" loan transactions to those loans which are exempted from the provisions of chapter 478, Hawaii Revised Statutes. Both types of loan transactions involve unguaranteed mortgages provided in conjunction with an SBA guaranteed loan. However, due to funding problems, the maximum loan amount under the Section 7(a) loan program has been cut by 50 per cent and lenders use companion or "piggyback" financing to meet the credit needs of the small business borrower. In both the Section 7(a) and Section 504 loan transactions, the entire transaction is subject to the review and approval of the SBA. This bill is intended to ensure that the entire transaction, including both the SBA guaranteed and the unguaranteed portion, are exempt from the State's usury law.

Your Committee received testimony in support of the bill from The Money Store Investment Corporation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1262 Consumer Protection on H.B. No. 2275**

The purpose of this bill is to increase the number of barrels of malt beverage that brewpub licensees may manufacture on their premises per license year, from three thousand to five thousand barrels.

Favorable testimony was received from the Liquor Dispensers of Hawaii and Retail Liquor Dealers Association, and from the Hawaiian Homebrewers Association. Your Committee was informed that this measure might permit Hawaii to enjoy the growth of a microbrewing industry similar to those on the mainland.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aki, Ige, Ihara).

**SCRep. 1263 (Joint) Transportation and Government Affairs and Ways and Means on H.B. No. 1834**

The purpose of this bill is to refine and clarify certain provisions of the Hawaii Public Procurement Code (hereinafter HPPC Code or Code), in order to promote the objectives which prompted its adoption in 1993.

The State Attorney General, the Department of Accounting and General Services, and the Department of Transportation submitted testimony on this measure. Additional information was received from the procurement office administrator.

Your Committees amended this bill by:

- (1) Requiring under sections 84-15(a), 103D-302, and 103D-303, Hawaii Revised Statutes, that a state agency intending to enter into a transaction valued in excess of \$10,000 with a legislator or a legislator's business post a notice of its intent to award the contract, and file a copy of the notice with the state ethics commission at least ten days before entering into the contract;
- (2) Retaining the existing statutory provisions in section 103D-205, Hawaii Revised Statutes, which require mandatory centralized procurement, although it is recognized that existing resources, and those which reasonably may be expected to be allocated to the procurement office in the foreseeable future, will dictate the actual extent to which the actual procurement process, in fact, will be confined within the procurement office;
- (3) Allowing any governmental body of the State to contract on its own behalf for professional services;
- (4) Retaining the existing requirement that the attorney general serve as legal officer to the policy office and chief procurement officer; and
- (5) Making other technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1834, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1834, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Kawamoto, Liu).

**SCRep. 1264 Judiciary on H.B. No. 149**

The purpose of this bill is to require the department of public safety to implement all elements of a model system for managing security staff in correctional institutions.

Your Committee finds that the model system of security management provided in this bill, which was recommended in the auditor's 1992 and follow-up 1994 reports on security staffing in the department, will significantly improve the management of the correctional security system. The elements of the model, including the development of security staffing policies and procedures, criteria for determining which posts are necessary, methods of scheduling, and monitoring of performance and compliance, will assist the department in maintaining security at Hawaii's correctional institutions.

Upon further consideration, your Committee has amended this bill to add language giving the department of public safety greater flexibility regarding the transfer of inmates outside of the State and the development of out-of-state Hawaii correctional facilities to reduce prison overcrowding. Your Committee finds that the flexibility with respect to out-of-state facilities is needed in view of the chronic overcrowding in the State's correctional facilities and the great difficulty encountered in locating new facilities in Hawaii. Your Committee finds that this bill provides the department with another option in dealing with a potentially explosive situation.

Your Committee has amended this bill by:

- (1) Amending section 1 of the bill to reflect the additional purpose regarding out-of-state facilities and transfer;

- (2) Amending section 2 of the bill by adding a sixth element of the security management model, namely, requiring the department to develop a system to manage overtime problems, including improper, inconsistent, and inaccurate recording of sick leave, at the State's correctional institutions;
- (3) Amending section 353-16.2, Hawaii Revised Statutes (HRS), to allow the director of public safety to effect the transfer of a committed felon to out-of-state correctional institutions to reduce prison overcrowding;
- (4) Amending section 353-16.3, HRS, to provide for the development of out-of-state Hawaii correctional facilities to reduce prison overcrowding;
- (5) Adding a savings clause; and
- (6) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 149, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Matsuura, Anderson).

**SCRep. 1265      Judiciary on H.B. No. 715**

The purpose of this bill, as received by your Committee, is to establish a felony offense for those who are convicted of habitually driving under the influence of intoxicating liquor or drugs, to lower the blood alcohol concentration threshold from .10 to .08, to increase sanctions for repeat offenders, and to eliminate the requirement for providing proof of financial responsibility following an administrative revocation proceeding or first time DUI conviction.

Testimony in support of the bill, although with several recommendations by certain individuals presenting testimony, was submitted by the Governor's Highway Safety Council Impaired Driving Task Force, the attorney general, the Honolulu prosecuting attorney, the Honolulu police department, the Hawaii Trial Lawyers Association, Mothers Against Drunk Driving (MADD), Laurie Meininger, Theresa Paulette, and Paul Cunney, Esq. Testimony in opposition was received from the Hawaii Liquor Dispensers and the public defender's office.

Your Committee believes that vigorous enforcement, together with education and public awareness, provides the key to reducing the number of alcohol-related accidents and deaths on our highways.

Your Committee has amended the bill by:

- (1) Inserting language which provides that a person commits the offense of habitually driving under the influence of intoxicating liquor or drugs if, during a ten-year period, the person has been convicted three or more times of driving under the influence. This will ensure that if a person has been convicted three times and is charged and convicted a fourth time, the person will have committed the offense of habitually driving under the influence;
- (2) Amending the period of administrative revocation under section 286-261(b)(2) & (3) and (c) by decreasing from one year to six months if the arrestee's driving record shows one prior alcohol enforcement contact during the five years preceding the date of arrest; decreasing from two years to one year if the arrestee's driving record shows two prior alcohol enforcement contacts during the seven years preceding the date of arrest; and conforming these changes to apply to the license of an arrestee who refuses to be tested after being informed of the sanctions of this part; and
- (3) Amending section 291-4, to provide that a person committing the offense of driving under the influence of intoxicating liquor shall be sentenced for an offense which occurs within five years of a prior conviction to not less than forty-eight consecutive hours but not more than fourteen days, instead of sixty days, of imprisonment. A provision for a six-month prompt suspension of a license with an absolute prohibition to drive or the court may order a ninety-day prompt suspension in lieu thereof with certain conditions has also been imposed. For an offense which occurs within five years of two prior convictions, the sentence has been amended to impose not less than ten, rather than thirty days of imprisonment, but not more than thirty days, rather than one hundred eighty days of imprisonment. A provision for a one-year prompt suspension of a license with an absolute prohibition to drive or the court may order a six-month minimum prompt suspension in lieu thereof with certain conditions has also been imposed.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 715, 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. 715, H.D. 1, S.D.2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1266      Judiciary on H.B. No. 1485**

The purpose of the bill is to provide the liquor commission with the ability to revoke, suspend, or place restrictions or conditions on any liquor license if the licensee allows, or has been convicted of, criminal activity within the licensed premises.

Your Committee finds that criminal activities conducted in licensed establishments are a growing problem in Hawaii, and that eliminating such activities is imperative to ensure the safety of individuals in the community. Your Committee is aware that the commission can currently only refuse to renew a license if noise complaints have been filed regarding a licensed premises. Your Committee believes that the threat of license revocation for licensees who allow illegal acts on their premises will discourage activities like prostitution and drugs in licensed establishments, and that cleaner and safer neighborhoods will result.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1485, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1267      Judiciary on H.B. No. 1977**

The purpose of the bill is to conform the Hawaii State water pollution control law to federal requirements.

Your Committee has been advised that the department of health has amended the definition of the term "household waste" in the department's hazardous waste rule (Title 11, Section 261-4(b)(1)) to exclude the word "hotel" from this definition. The effect of this change is to require hotels to follow procedures applicable to the identification, management, and disposal of hazardous waste. These procedures would impose very substantial costs upon hotels without providing any benefit to the environment. This problem can not be adequately addressed through the rule-making process. Accordingly, your Committee has amended the bill to set out in statute the original definition of "household waste". The language your Committee has adopted restates the definition found in the federal hazardous waste rules which treat hotel waste as household waste.

Your Committee is aware that the bill's reference to "wastewater" regulation may go beyond federal requirements. In order to prevent the establishment of overly-broad authority for the department of health, an amendment was made to meet minimal regulation requirements until a further review of the necessary regulation can take place. "Wastewater" was therefore replaced by "sewage sludge", referring to the residue removed during the treatment of municipal wastewater or domestic sewage.

Your Committee additionally amended the bill to include a preamble, and extended the deadline for commencing a civil action to 1996.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1977, 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. 1977, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 1268      Judiciary on H.B. No. 2051**

The purpose of the bill, as received by your Committee, is to conform Hawaii's commercial driver's licensing law with federal standards, and to ensure that the State does not lose a significant amount of federal highways funds. In particular the bill:

- (1) Provides that a person who is not physically qualified to drive under 49 Code of Federal Regulations may be granted an intrastate waiver as provided by the Code;
- (2) Eliminates the limitation on the renewal of commercial drivers' instruction permits;
- (3) Eliminates the expiration of license on the second birthday of the licensee following the issuance of the license if the licensee is 21 to 24 years of age;
- (4) Amends the disqualification provision for licensees convicted of certain enumerated violations; and
- (5) Amends provisions relating to the suspension, revocation, or cancellation of licenses and permits.

Testimony in support of the bill was submitted by the department of transportation with the recommendation that the wording of the original bill be used to reflect the exact wording of federal law.

Upon further consideration, your Committee has amended the bill by deleting the clause that provides an exception to a driver acting on a governmental order, as the wording could cause confusion regarding the State's compliance with federal regulations.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2051, 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. 2051, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1269      Judiciary on H.B. No. 2237**

The purpose of this bill is to allow the family court to waive the requirement of a hearing before issuing an adoption decree for children adopted from foreign countries.

Testimony in support of the bill was received from Representative Gene Ward, who recently adopted a child from China.

Under present law, a child adopted in a foreign country cannot obtain a birth certificate in Hawaii unless another adoption proceeding is undertaken in Hawaii. This bill will permit the issuance of a Hawaii birth certificate upon the receipt by the court of a sworn affidavit by the adoptive parents, and upon a finding that the issues it would have reviewed have received full consideration by the country from which the child was adopted and by the Immigration and Naturalization Service (INS).

Your Committee believes that this measure would expedite the process for adoptive parents and remove a duplicative and redundant procedure in the adoption of foreign children. Your Committee finds that the documentation required by the INS is already exhaustive and comprehensive and that foreign courts are extremely strict about adoption of their children by foreigners. To repeat the same procedure and provide the same documents to our family court for the purpose of obtaining a Hawaii birth certificate is unnecessarily burdensome for our adoptive parents.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2237, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2237, H.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 1270 (Joint) Judiciary and Ways and Means on H.B. No. 1277**

The purpose of the bill is to require the judicial salary commission to reconvene on October 15, 1995 and to submit recommended salaries of state court justices and judges and appointed judiciary administrative officers prior to the 1996 Regular Session, and every two years thereafter.

Your Committees find that the current fiscal picture of the general fund precludes the consideration of any funding beyond health and safety needs for the judiciary. However, your Committees recognize that judges' salaries have not been adjusted since 1990 and that some consideration will be necessary if the judiciary is going to be able to continue to attract capable individuals to serve as judges in the future.

As affirmed by the record of votes of the members of your Committees on Judiciary and Ways and Means that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1277, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 14. Noes, none. Excused, 4 (Bunda, Fernandes Salling, Solomon, Anderson).

#### **SCRep. 1271 Ways and Means on H.B. No. 1133**

The purpose of this bill is to authorize the department of budget and finance to issue \$5,000,000 in special purpose revenue bonds to assist Kerr Pacific Corporation, dba HFM (Hawaiian Flour Mills), in financing the establishment of a feed milling operation.

Your Committee finds that the establishment of a local feed milling operation would provide Hawaii farmers with an accessible and predictable source of protein for animal feed. Since the closing of the Fred Waldron Feed Company in 1993, Hawaii farmers have had to purchase animal feed from out-of-state mills. This tenuous arrangement places Hawaii farmers at the mercy of out-of-state feed mills, interstate and interisland shippers, and inclement weather conditions; and does little, if anything, to increase the State's self-sufficiency or the viability of Hawaii's agriculture industry.

Your Committee also finds that agricultural and horticultural organizations provide essential assistance and support to farmers and other professional and non-professional residents interested in agriculture and horticulture. This assistance will begin to take on greater importance to the State as more prime agricultural lands are converted from sugar cane and pineapple cultivation to diversified agriculture and horticulture. In the interest of agriculture, horticulture, and the State, your Committee believes that these organizations should be exempted from the general excise tax law.

Your Committee has amended this bill by:

- (1) Adding a provision to exempt agricultural and horticultural organizations from the general excise tax law; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1133, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1272      Ways and Means on H.B. No. 1148**

The purpose of this bill, as received by your Committee, is to abolish the governor's agriculture coordinating committee (GACC) and transfer its functions and duties to the department of agriculture.

This bill also adds the dean of the college of tropical agriculture and human resources of the University of Hawaii as an ex officio voting member of the board of agriculture, and appropriates funds for the purposes of this bill.

Although your Committee agrees with the necessity to abolish the GACC and thereby consolidate public resources devoted to agriculture, your Committee finds that this objective may be more effectively accomplished by transferring the functions and duties of the GACC to the agribusiness development corporation (ADC) rather than to the department. Your Committee finds that transferring these functions to the ADC, which is attached to the department of agriculture for administrative purposes pursuant to section 163D-3(a), Hawaii Revised Statutes (HRS), will maintain the important functions formerly held by the GACC, reduce government bureaucracy, and ensure the optimal use of agricultural assets for the benefit of the people of Hawaii.

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

- (1) Transferring the duties and functions of the GACC to the ADC by inserting the contents of section 164-2, HRS, into section 163D-4(b), HRS. (Section 164-2(9), which allowed the GACC to enter into contracts for services, has been deleted since this function may already be performed by the ADC under section 163D-4(a)(5));
- (2) Amending the appropriations section (section 8 of the bill, as renumbered) by:
  - (A) Specifying that funds may be used for the hiring of three additional positions for the ADC without regard to the civil service and compensation laws; and
  - (B) Replacing the sum appropriated with an unspecified amount to facilitate further discussion on the funding necessary to carry out the purposes of this measure;

and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1148, 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. 1148, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1273      Ways and Means on H.B. No. 1486**

The purpose of this bill is to allow nonresident hunters to hunt game birds on private or commercial shooting preserves, provided they possess a valid hunting license issued by the nonresident hunter's state or Canadian province of residence.

Also, the bill would: impose additional quarterly reporting requirements upon private and commercial shooting preserve licensees with respect to nonresident hunter statistics; authorize the department of land and natural resources to set the licensing fees for private and commercial shooting preserves and game bird farmers; and require private and commercial shooting preserve licensees to remit a sum, equal to the current nonresident hunting license fee per each nonresident hunter exempted from the license requirement under this bill, to the department for deposit in the wildlife revolving fund.

Your Committee finds that this bill would allow qualified nonresident hunters to participate in game bird hunting activities within the State, without the burden of having to complete the hunter education program required for licensing in Hawaii, while still maintaining a safe hunting environment for resident and nonresident hunters alike.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1486, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1274      Ways and Means on H.B. No. 1586**

The purpose of this bill is to provide for binding arbitration as a means of resolving collective bargaining disputes over cost items between a public employer and the exclusive representative of bargaining unit 10 (institutional, health, and correctional workers).

The bill further establishes procedures for submission of disputes over cost items to a single arbitrator, hearings within twenty calendar days after the arbitrator's appointment, and the issuance of an award or a decision, which is final and binding subject to review under chapter 658, Hawaii Revised Statutes. In reaching an award or decision, the arbitrator is to consider such factors as may be deemed applicable to the issues, including the comparability of wages and benefits received by employees with those received by similar or other employees in public and private employment, fair employment practice requirements, and the public service and interest provided or served.

Your Committee finds that existing law allows only bargaining units 11 (firefighters) and 12 (police officers) to rely on binding arbitration to settle disputes, because these units are considered essential to public health and safety. Your Committee finds that a large number of employees in unit 10 also fall within the essential worker category and are prohibited from striking under existing laws. Your Committee believes that providing arbitration for unit 10 workers provides a fair and reasonable alternative to resolving labor disputes over new contractual terms for employees who effectively have no right to strike. Your Committee further agrees that arbitration of these disputes should be limited to those pertaining to cost items--those matters involving wage increases for which separate legislative appropriation is provided for in section 89-10(b), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1586, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1275      Ways and Means on H.B. No. 1686**

The purpose of this bill is to appropriate a blank amount to the legislative reference bureau to conduct a study on the feasibility of establishing a separate health plan for retired public employees covered under the public employees health fund ("fund").

Your Committee finds that retired Hawaii public employees and their dependents enjoy benefits among the most generous in the country. Only four other states pay the full cost of medical coverage for retirees and their dependents. Hawaii's public employers pay one hundred per cent of premiums for medical, drug, vision, and adult dental plans and life insurance and children's dental coverage for retirees with ten years or more of credited service. The cost of providing health fund benefits for retirees has steadily escalated from \$20,204,043 in fiscal year 1984 to \$77,108,985 in fiscal year 1993 and has been increasing at about twelve per cent annually. These generous benefits are contributing to a substantial unfunded liability -- \$953,000,000 as of fiscal year 1987-1988. In fact, public employers are paying out twice as much for retiree health benefits as for active employee benefits.

Your Committee believes that active steps need to be taken beyond the conduct of a feasibility study. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with the contents of H.B. No. 979, H.D. 1, 1994.

The amended bill limits public employers' payments, for new public employees hired after July 1, 1996, who retire with fewer than twenty-five years of credited service (excluding sick leave) to fifty and seventy-five per cent of retirees' monthly medicare or nonmedicare premiums for hospital, medical, surgical, prescription drug, vision, and adult dental benefits of a health benefits plan, for those retiring with ten but fewer than fifteen years of service and those with fifteen but fewer than twenty-five years of service, respectively.

The amended bill also:

- (1) Limits public employers' contribution to the fund, after an employee's retirement, to not more than the monthly contribution of a family plan if both husband and wife are employee-beneficiaries;
- (2) Requires public employers, after an employee's retirement, to pay the total monthly:
  - (A) Dental premium for each employee's child under nineteen years of age; and
  - (B) Group life insurance premium for each retired employee;
- (3) Requires medicare and nonmedicare premiums for retired employees for hospital, medical, surgical, prescription drug, vision, and adult dental plan benefits to be set annually by the board of trustees of the fund and which is limited to those premiums contracted by the fund with the largest enrollments;
- (4) Requires public employers to advance employee-beneficiaries' contributions to the fund on or before the first day of each month; and
- (5) Prohibits consideration of public employer contributions as wages or salaries and prohibits any employee-beneficiary from having any vested right in those contributions to the fund.

On the other hand, your Committee has also amended the bill to require the board of trustees of the employees' retirement system of the State of Hawaii to study, investigate, and evaluate the impact on the retirement system if the percentage factor of the retirement benefits formula were raised for non-contributory employees from 1.25 per cent to 1.4 per cent.

Your Committee finds that, under the 1.25 per cent formula, a non-participatory, non-contributory employee (hired after December 31, 1984) would receive 12.5 and 37.5 per cent, respectively, of the average final compensation upon retiring after ten years or by age sixty-two, and after thirty years or by age fifty-five. In comparison, a participatory and contributory employee would receive more -- twenty and sixty per cent, respectively. Employees who had no choice but to belong to the non-participatory and non-contributory group were first eligible to retire beginning January 1, 1995. In light of this, your Committee feels that it would be equitable to investigate an increase in the non-participatory, non-contributory formula to 1.4 per cent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1686, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1276      Ways and Means on H.B. No. 1785**

The purpose of this bill is to provide funds to help former employees of Waialua Sugar Company to take advantage of programs and activities which will make them employable in other occupations.

Your Committee finds that the demise of Waialua Sugar Company has left many workers worried about their future economic well being. The impact of losing a job is heightened when many workers who have spent decades in sugar suddenly find their skills no longer relevant. In 1994 representatives from the ILWU, Dole Foods/Waialua Sugar Company, and the state and county governments, in anticipation of the dislocations to occur when the company closed, formed the education and employment committee to identify employment and training needs and develop plans for basic education for the dislocated workers.

Your Committee finds that this bill seeks to begin this rehabilitative process and make the transition for these workers smoother.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1785, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Solomon, Tanaka, Liu).

**SCRep. 1277      Ways and Means on H.B. No. 1996**

The purpose of this bill is to designate the occupational safety and health training and assistance fund as a special fund and increase the amount of moneys that may be deposited into that fund.

In particular, this bill increases the amount of moneys deposited into the fund from a total of \$200,000 to up to \$500,000 in each fiscal year in fines, interest, and penalties collected pursuant to section 396-10, Hawaii Revised Statutes (HRS), and further provides that there shall be deposited into the fund interest earned on moneys in the fund and all moneys received for the fund from any source.

This bill also extends the sunset date of the fund from July 1, 1996 to July 1, 1999, and further provides that section 1 of Act 130, Session Laws of Hawaii 1994, codified as section 396-17, HRS (annual reports on unsafe employment for women), is also to be repealed on July 1, 1999. Finally, this bill appropriates \$500,000 in fiscal years 1995-1996 and 1996-1997 out of the fund for education and training for occupational safety and health programs.

Your Committee believes that this bill will allow the department of labor and industrial relations to maximize the efficient use of available moneys in the fund during each year of the fiscal biennium. Your Committee finds, however, that rather than appropriating funds through this separate measure, this appropriation is more appropriately made, and will be included in the state budget. Your Committee has therefore amended this bill by deleting the appropriation provision.

Your Committee has also amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1996, 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. 1996, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1278      Ways and Means on H.B. No. 1997**

The purpose of this bill is to create a mechanism to enforce the family leave law.

This bill provides for complaint filing, complaint resolution by predetermination settlement, investigation and conciliation of complaints, employer appeal and hearing, civil action against negligent or noncomplying employers, additional remedies and relief, issue by the department of labor and industrial relations (DLIR) of complainant's notice of right to sue, injunctive relief, compliance review, and penalties. In addition, the bill:

- (1) Clarifies that the DLIR is the responsible agency;
- (2) Extends the definitions of "child" and "serious health condition";
- (3) Subjects the substitution of accrued paid leaves to certain conditions;

- (4) Requires certification to be issued by the health care provider of the person requiring care when the care is for a child, spouse, or parent with a serious health condition and considers this certification sufficient if it provides information required by the DLIR;
- (5) Requires the DLIR to assist in the placement, and not the training, of temporary help hired to do the work of persons taking leave; and
- (6) Allows the director to hire investigators and hearings officers as necessary.

Your Committee finds that chapter 398, Hawaii Revised Statutes, governing family leave, lacks sufficient enforcement provisions and sufficient remedies for aggrieved persons. This bill will enhance the administration of the State's family leave law and provide appropriate remedies necessary to protect the rights of employees as well as employers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1997, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1279      Ways and Means on H.B. No. 1998**

The purpose of this bill is to require state contracts for construction jobs in excess of \$25,000 to be executed in accordance with a written safety and health plan.

Specifically, this bill requires that all bids and proposals for those jobs must be accompanied by a certification that a written safety and health plan for the job will be available and implemented by the notice to proceed date of the project. Failure to submit the certification could disqualify the bid or proposal, and failure to implement the plan could terminate the contract. The bill specifies the contents of the safety and health plan.

Your Committee finds that Hawaii's construction workers suffer double the national average in preventable workplace injuries, and that the construction industry has paid out more than \$5,200,000 in workers' compensation costs. In an effort to reduce workers' compensation costs for the construction industry and to promote a safe and healthful working environment for the industry's workers, the State can set an example for the rest of the community by incorporating safety and health requirements into the public works contracts that it awards under the procurement code.

Your Committee has amended this bill by increasing from \$25,000 to \$100,000 the minimum monetary amount of bids and contracts subject to the safety and health plan requirements. Your Committee recognizes that it is not the intent of this bill to achieve increased work safety and less expensive insurance by negating reasonable profits to contractors through undue administrative burdens.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 Third Reading in the form attached hereto as H.B. No. 1998, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1280      Ways and Means on H.B. No. 2089**

The purpose of this bill is to require the Hawaii public employees health fund to return any rate credit or reimbursement, which is derived from a health benefits plan for retirees or the surviving spouses of deceased retirees or employees, to the appropriate state or county general fund until July 1, 1996.

This bill also:

- (1) Requires the auditor to conduct a study of the Hawaii public employees health fund to determine:
  - (A) The feasibility and cost ramifications of utilizing the foregoing credits and reimbursements to self insure the State's health benefits plan;
  - (B) Whether or not the current composition of the board of trustees of the Hawaii public employees health fund is adequately representative of affected parties; and
  - (C) The feasibility of establishing a separate health benefits plan for retired public employees covered under the Hawaii public employees health fund;
- and
- (2) Appropriates an unspecified sum to the auditor from the Hawaii public employees health fund for the purpose of conducting the foregoing study.

Your Committee finds that the law establishing the Hawaii public employees health fund requires the foregoing credits and reimbursements, in addition to any earning or interest therefrom, to be used for:

- (1) Financing the employee's and state and county contributions for the respective benefit plan from which these moneys are derived; and
- (2) Improving the benefits of the respective plan from which these moneys are derived.

Your Committee also finds that the fiscal condition of the State and counties requires the elimination of certain nonessential expenditures to ensure the continued delivery of essential public services. Because of the State's uncertain financial picture at the moment, your Committee has not made a specific appropriation to the auditor for the study of the Hawaii public employees health fund. It is the intent of your Committee to revisit this matter later during the session when the status of the State's finances are more certain.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2089, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1281 Ways and Means on H.B. No. 2107**

The purpose of this bill is to establish a revolving fund to support coffee inspection and certification services provided by the department of agriculture.

Your Committee finds that state budget cuts have forced the Department of Agriculture to reduce staff and program funding for coffee inspections. This cutback has reduced the effectiveness of the inspection program, to the detriment of the state coffee industry, which relies on correct grading and classification of Hawaii-grown coffee products to maintain the reputation and quality of Hawaii-grown coffee. Loss of this certification could have a negative impact on Hawaii's position in the world coffee market. At present, the fees paid by coffee farmers and processors for certification services are deposited in the state general fund, and are not used to further these services.

Your Committee finds that the creation of a revolving fund, in which fees paid by coffee producers and processors for inspection and certification services will fund future services, is appropriate and will help protect the coffee industry from current and future budget constraints.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2107, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1282 Ways and Means on H.B. No. 2239**

The purpose of this bill is to prevent vacated positions in community hospital and correctional facilities, and in programs that are funded entirely with federal moneys; and certain administrative positions, from being frozen or eliminated in accordance with the early retirement incentive law.

Your Committee finds that Act 212, Session Laws of Hawaii 1994:

- (1) Allows thirty per cent of the positions vacated in each department to be refilled by the head of the department to ensure the continued ability of the department to carry out its public purpose;
- (2) Requires thirty per cent of the positions vacated in each department to be held vacant for fiscal year 1995-1996 and assigned to a statewide personnel pool until June 30, 1996; and
- (3) Requires forty per cent of the positions vacated in each department to be eliminated.

Your Committee also finds that:

- (1) The refilling of vacated positions in community hospitals and correctional facilities is in the public interest and for the public health, safety, and general welfare of the State;
- (2) The freezing or elimination of vacated positions in programs that are funded entirely with federal moneys serves no useful public purpose since the savings generated by these positions do not accrue to the general fund; and
- (3) The refilling of vacated positions occupied by department heads, executive officers, deputies or assistants to department heads, the administrative director of the State, and the commissioner of financial institutions is necessary to ensure the continued ability of state government to carry out its public purpose.

Your Committee further finds the fiscal condition of the State and counties requires the delay of certain nonessential expenditures to ensure the continued delivery of essential public services.

Your Committee has amended this bill by:

- (1) Adding a provision to change the commencement date when employees' retirement system investment earnings in excess of the investment yield rate are to be deposited in the pension accumulation fund to address outstanding unfunded pension obligations from fiscal year 1995 to fiscal year 1999; and
- (2) Making a technical, nonsubstantive amendment for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239, 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. 2239, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1283      Ways and Means on H.B. No. 1918**

The purpose of this bill is to provide for the financial regulation of health maintenance organizations (HMOs) in the State.

HMOs, of which there are six in Hawaii, are a vital part of the State's health care delivery system. They provide health and medical services on a prepaid capitation basis and emphasize cost-containment through utilization controls and managed care, preventive medicine, quality assurance, and peer review programs. However, at present, HMOs in Hawaii are not regulated or monitored on a continuing basis for financial soundness. Only three states, including Hawaii, do not yet have comprehensive laws regulating HMOs. As health care costs continue to increase, the number of HMOs is expected to increase both in Hawaii and nationally.

Your Committee finds that this bill will provide for the prudent financial regulation of HMOs that is needed in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1918, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1284      Ways and Means on H.B. No. 1919**

The purpose of this bill is to make permanent the amendments made to the insurance code by Act 190, Session Laws of Hawaii 1994, to be effective on the date on which that Act was signed by the governor.

Among other things, this bill removes the June 30, 1996 repeal date to make permanent the insurance examiners revolving fund, the new part relating to risk-based capital for life and health insurers, and other amendments to the insurance code in order to conform with the accreditation requirements of the National Association of Insurance Commissioners.

Rather than making permanent the insurance code amendments made by Act 190, your Committee finds that the repeal date should be extended for four additional years. Your Committee has therefore amended this bill by:

- (1) Extending the repeal date of Act 190, Session Laws of Hawaii 1994, from June 30, 1996 to June 30, 2000. On that date, the insurance examiners revolving fund, the provisions relating to risk-based capital for life and health insurers, and other amendments to the insurance code will be repealed;
- (2) Adding a new section to provide that, upon the repeal of Act 190 on June 30, 2000, the fund will be replaced by the provisions added by Act 280, Session Laws of Hawaii 1993, section 25, which have never become effective. That section provides, among other things, that moneys necessary for the compensation and reimbursement of independent contractor examiners and insurance division staff examiners are to be allocated by the legislature through appropriations out of the state general fund; and
- (3) Making a technical correction to the reenactment language in the effective date section of Act 190 to ensure that sections 431:3-302, 431:5-307, 431:19-107, and 431:19-115, Hawaii Revised Statutes, are reenacted in the form in which they read before the repeal of Act 190.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1919, 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. 1919, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1285      Ways and Means on H.B. No. 1959**

The purpose of this bill is to authorize the assessment of filing and processing fees by the medical claims conciliation panel and changing the amount of fees charged by the design professional conciliation panel to similar amounts.

Your Committee finds that a deposit of \$200 from the claimant and each health care provider and other parties to the claim is a reasonable deposit, in addition to the \$50 nonrefundable filing fee. The nonrefundable fee shall be used to

defray the administrative costs of the panel and it is not unreasonable to have the parties to a claim help to pay for such things as postage, photocopying, and the like.

Your Committee finds that this bill now reads the same as its companion measure, S.B. No. 1760, S.D. 1, which passed third reading in the Senate on March 3, 1995.

Your Committee has amended this bill by changing the word "they" to "the" on page 2, line 3, and "an" to "and" on page 1, line 6, to correct discrepancies with the printed version of the Hawaii Revised Statutes; and by correcting the reference to the director of commerce and consumer affairs on page 1, line 18.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1959, 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. 1959, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1286      Ways and Means on H.B. No. 2215**

The purpose of this bill is to immediately fund the future liability of the Hawaii hurricane relief fund and to accord police chaplains the same workers' compensation benefits accorded to other volunteer officers for the State.

Specifically, this bill authorizes the director of finance to secure necessary funds from a combination of sources in order to satisfy the share of liability currently reinsured by the Hawaii hurricane relief fund. These sources are to include, in order of priority, capital raised from revenue bonds, and commitments from the federal government and financial institutions. Accordingly, the revenue bond raising authority of the director is increased from \$200,000,000 to \$500,000,000.

Furthermore, this bill requires a rate reduction for policies of hurricane property insurance once \$500,000,000 is accumulated for the Hawaii hurricane relief fund. Thereafter, the Hawaii hurricane relief fund must use the hurricane insurance premiums, mortgage recordation fees, annual assessments, and interest income to develop a comprehensive loss reduction plan.

Your Committee finds that the Hawaii hurricane relief fund, a public entity, was created in 1993 to encourage insurance companies to resume writing homeowners' insurance policies in Hawaii. Under the 1993 law, insurance companies are liable for the first \$500,000,000 in losses in the event of another hurricane while the fund is liable for losses in excess of that cap. Hurricane Iniki in 1992 caused an estimated \$1,600,000,000 in insured property losses to Kauai and other areas of the State.

Your Committee further finds that despite the creation of the fund, homeowners currently pay premiums that are triple or quadruple the rate paid prior to Hurricane Iniki. In order to immediately reduce and stabilize rates, the State must develop immediate measures to satisfy its \$500,000,000 share of liability, assumed through the Hawaii hurricane relief fund. Otherwise, it is estimated that it will take approximately seven years to accumulate that amount through present revenue sources: the premiums for coverage by the Hawaii hurricane relief fund, the special mortgage recording fee, and the 3.75 per cent annual assessment on insurance company property and casualty premiums. These present sources bring in \$80,000,000 a year, and interest is calculated at five per cent a year.

Your Committee believes that immediate, supplementary sources of financing the \$500,000,000 liability are primarily state revenue bonds, and secondarily, loan commitments from the federal government, and loan commitments such as lines-of-credit or standby bank facilities from private financial institutions.

Additionally, this bill amends the workers' compensation laws by defining and adding police chaplains to the list of state volunteer officers that are entitled to workers' compensation benefits for injuries sustained while performing services for the State. These other volunteer workers are public board members, reserve police officers, volunteer firefighters, volunteer boating enforcement officers, and volunteer conservation and resources enforcement officers.

At present, police chaplains are precluded from receiving such benefits. Your Committee recognizes that like reserve police officers and volunteer firefighters, police chaplains perform important services to the public at a considerable risk of injuring themselves while doing them. The State should be as indebted to police chaplains as it is to the other volunteer officers. Your Committee believes that because no one should be discouraged from volunteering as a police chaplain due to inequitable treatment under the workers' compensation laws, the laws should be remedied of their present oversights.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1287      Ways and Means on H.B. No. 1626**

The purpose of this bill is to enact educational reforms in the following areas: student-centered schools, assessment and accountability, and school construction.

This bill also lays the foundation for future educational reforms concerning the leasing of school facilities, the election of the board of education, and the evaluation of education legislation.

Specifically, this bill:

- (1) Repeals the law prohibiting public schools from laying off full-time school personnel to establish student-centered schools;
- (2) Prohibits student-centered schools from requiring full-time school personnel to work within student-centered school programs; and prohibits full-time school personnel who do not wish to work within student-centered school programs from receiving priority status for transfer to other schools in the community;
- (3) Repeals the law limiting the number of student-centered schools that may be established;
- (4) Exempts student-centered schools from certain board of education policies and administrative rules; repeals the law requiring student-centered schools to comply with state procurement laws; and exempts student-centered schools from the laws relating to compulsory attendance;
- (5) Requires a local school board's implementation plan for a student-centered school to be approved by a simple majority of parents attending a meeting at which a vote is taken on the plan, rather than by three-fifths of the school's parents;
- (6) Appropriates funds to the department of education for the establishment of a comprehensive educational assessment and accountability system;
- (7) Requires the assessment and accountability system to (A) monitor and account for student, staff, schools, and overall system performance, (B) support the development and field testing of prototype assessment measures, and (C) improve the evaluation of the merit and worth of efforts of education personnel;
- (8) Allows the department of education to initiate the next viable capital improvement project approved by the board of education and authorized by the legislature from a supplemental "B" project list if the initiation of a project from the priority "A" list is delayed;
- (9) Repeals the law (A) allowing the department of education to use the state educational facilities improvement special fund to eliminate the gap between the facility needs of schools and available resources (funding), and (B) specifying that expenditures from the special fund shall be subject to the allotment system;
- (10) Allows the department of accounting and general services to establish, without regard to the civil service and compensation laws, temporary project manager positions that are dedicated to the school construction program and funded by the special fund;
- (11) Establishes an interim study group to review the concept of providing authority to the department of education to enter into lease agreements for the acquisition of, including land for, public school facilities;
- (12) Establishes a commission to design a methodology for the election of members of the board of education, and to make recommendations concerning the size of the board, the configuration of member districts, the compensation of board members, and the voting authority of the appointed student board member;
- (13) Establishes an interim study group to identify guiding principles for statewide education policy that can be adopted and used to evaluate future education legislation; and
- (14) Requests the legislative reference bureau to apply a specified organizational framework to title 18, Hawaii Revised Statutes (education), to identify statutes that should be consolidated, amended, or repealed to conform with recent education policy initiatives.

Because of the State's uncertain financial picture at the moment, your Committee has not made a specific appropriation to the department of education for the establishment of the assessment and accountability system. It is the intent of your Committee to revisit this matter when the status of the State's finances are more certain.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1626, 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. 1626, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1288      Ways and Means on H.B. No. 1736**

The purpose of this bill is to appropriate funds to the department of education for the expansion of the parent-community networking center program to an additional fifty-one schools in fiscal year 1995-1996, and an additional thirty-four schools in fiscal year 1996-1997.

Your Committee finds that the parent-community networking center (PCNC) program is one of the most successful of the department of education's programs. Parent involvement in their children's education has increased in the one hundred fifty-five schools now involved in the PCNC program. The program has improved school-community relations

and helped to create a more positive and committed attitude in both teachers and parents towards the education of their community's children. The expansion of the program would significantly enhance the level of parental participation in public education, as well as expand the provision of quality services to the people of the State of Hawaii.

Because of the State's uncertain financial picture at the moment, your Committee has not made specific appropriations to the department of education for the expansion of the PCNC program. It is the intent of your Committee to revisit this matter when the status of the State's finances are more certain.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1736, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1289      Ways and Means on H.B. No. 1819**

The purpose of this bill to deregulate private schools and private school teachers.

Specifically, this bill:

- (1) Repeals the laws requiring the department of education to regulate the establishment of private schools, and to supervise private schools and private school teachers;
- (2) Amends the definition of "teacher", as the term is used in chapters 296 (public education), 296C (school/community-based management), 296D (school priority fund/program), 297 (personnel of public and private schools), 298 (schools and attendance, generally), 299 (driver education), 300 (technical and vocational training), and 301 (other special training), Hawaii Revised Statutes, to exclude persons who are not in the public educational system (i.e., private school teachers);
- (3) Amends the definition of "school", as the term is used in part I (certification, employment, and tenure) of chapter 297, Hawaii Revised Statutes, to exclude schools that are not under governmental supervision (i.e., private schools);
- (4) Changes the title of chapter 297, Hawaii Revised Statutes, from "personnel of public and private schools" to "personnel of public schools";
- (5) Effectively limits experience requirements for principals and acting principals to service as (A) public school teachers, and (B) public school teachers or exchange principals in Hawaii public schools. Section 297-7, Hawaii Revised Statutes, currently requires principals and acting principals to meet the department's certification requirements and to have served as a "teacher" for a period of not less than five years, of which one year must have been served as a "teacher" or as an exchange principal in the "schools" of Hawaii. As previously mentioned, this bill amends the definitions of "teacher" and "school" to exclude private school teachers and private schools;
- (6) Removes private school teachers from the class of persons specifically authorized to use reasonable force to restrain pupils from hurting themselves, other persons, and property. Section 298-16, Hawaii Revised Statutes, allows reasonable force to be used by a "teacher" in order to restrain a pupil in attendance at school from hurting oneself or any other person or property, and by a principal or the principal's agent only with another "teacher" present and out of the presence of any other student. As previously mentioned, this bill amends the definition of "teacher" to exclude private school teachers; and
- (7) Amends the law relating to transfers to other schools to allow private schools to receive children from other schools without certificates of release from the schools last attended by these children (section 298-20, Hawaii Revised Statutes).

This bill does not repeal, or exempt private schools from, the laws:

- (1) Requiring private schools to (A) keep correct registers of the names, sex, age, and nationality, date of entering school, and the places of residence of the children in attendance, and (B) file the registers or true copies thereof with the department of education (section 298-19, Hawaii Revised Statutes);
- (2) Prohibiting private schools from granting releases to children under eighteen years of age for the purpose of attending other schools, without the consent and approval of the children's parents or guardians (section 298-19, Hawaii Revised Statutes);
- (3) Prohibiting persons who have contracted tuberculosis, while afflicted with the disease, from teaching in private schools (section 297-14, Hawaii Revised Statutes); and
- (4) Requiring children to be immunized against certain communicable diseases (section 298-42(a), Hawaii Revised Statutes), tested for tuberculosis (section 298-42(b), Hawaii Revised Statutes), and examined physically (section 298-47, Hawaii Revised Statutes) before attending private schools.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1290 Ways and Means on H.B. No. 1903**

The purpose of this bill is to authorize the issuance of \$90,000,000 in general obligation bonds for each year of the 1995-1997 fiscal biennium and appropriate the same sums to the state educational facilities improvement special fund.

Your Committee finds that the state educational facilities improvement special fund was created in 1989 to finance the State's school facilities construction program. The general obligation bond proceeds appropriated to the special fund during each year of the 1995-1997 fiscal biennium will provide the funding needed to develop and maintain quality educational facilities in the State.

Your Committee also finds that because of the fiscal crisis confronting the State, it is imperative that department of education programs be held accountable for the expenditures they make and the budgetary actions they undertake. In response to the past fiscal practices of the department, and in view of the information uncovered during public hearings on this matter, your Committee has amended this bill to establish safeguards that will minimize the capacity of these programs to manipulate future legislative appropriations and prevent the use of public funds in a manner that is inconsistent with legislative intent.

Specifically, your Committee has amended this bill to:

- (1) Limit the allotment of positions funded through the school priority program to not more than an average of two positions per school beginning September, 1995;
- (2) Repeal the law allowing district superintendents to hold up to seven per cent of their allotment of school priority program moneys in reserve;
- (3) Repeal the requirement that the department of education's operating budget for the public school system separate administrative from instructional expenses;
- (4) Repeal the prohibition against the department's administrative expenditures from exceeding 6.5 per cent of the total department operating budget;
- (5) Allow the department to transfer funds for administrative expenditures from any budget program except EDN 100 (school-based budgeting);
- (6) Limit the department's implementation of school-based budget flexibility to the school-based budgeting program;
- (7) Limit the department's retention (i.e. carryover) of appropriations at the close of a fiscal year to appropriations for school-based budgeting; and
- (8) Limit the use of carryover funds to school-based budgeting, and to require the carryover funds to remain in the budget of the school or sub-program to which they were originally appropriated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1903, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1903, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1291 Ways and Means on H.B. No. 1965**

The purpose of this bill is to give the Hawaii state public library system administrative flexibility in the management of its personnel and fiscal resources.

More specifically, this bill would allow the public library system to:

- (1) Continue to reallocate existing vacant positions until June 30, 1998;
- (2) Implement internal reorganizations;
- (3) Recruit its own personnel;
- (4) Reassign duties; and
- (5) Reclassify positions.

Your Committee finds that these provisions would ultimately benefit library users by making the system more efficient through the effective use of its personnel and fiscal resources.

After careful consideration, your Committee has amended this bill by replacing it with the contents of S.B. No. 1635, S.D. 2. As amended, this bill empowers the state public library system by allowing it to carryover up to five per cent of any appropriation without lapsing for an additional fiscal year, in the same manner as the department of education. This

provision is extremely important as it will prevent disputes in the future between the Hawaii state public library system and the department of education with respect to whether particular funds must be allowed to lapse.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1965, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1965, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1292      Agriculture, Labor, and Employment on H.B. No. 269**

The purpose of this bill, as received, is to require hotel and eating establishments to include specified wording for Kona coffee on their menus.

Your Committee finds that although proper nomenclature describing the various permutations of Kona coffee available at eating establishments is desirable, it believes that such disclosures could be accomplished without the necessity of legislation. However, with regard to the labeling of marketing units for Kona coffee and its various blends, your Committee is concerned over the lack of uniformity in disclosing blend information.

Your Committee has therefore amended the bill to clarify labeling requirements for the sale of Kona coffee by providing that the specified words as to percentage of Kona coffee appear directly below the selected blend wording.

Existing law allows the wording as to percentage to appear anywhere on the front panel label. Your Committee believes that this critical language which refers to the actual percentage of Kona coffee content should be stated in a place of prominence, thereby ensuring disclosure to the consumer that the coffee complies with the minimum standards established under chapter 486, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 269, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 269, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 1293      Agriculture, Labor, and Employment on H.B. No. 1037**

The purpose of this bill is to clarify the collective bargaining law for public employees.

Specifically, the bill adds definitions for "imminent or present danger to public health or safety" and "investigation" to chapter 89, Hawaii Revised Statutes (HRS), relating to collective bargaining for public employees.

Your Committee finds that the purpose of adding these definitions to chapter 89, HRS, is to:

- (1) Clarify the Legislature's original intent when it enacted the so-called "essential worker" provisions of chapter 89, HRS, to mean that the essential employee's participation in a strike would create an imminent and present danger to the public health or safety, and not include economic harm as a consideration to be included under this classification; and
- (2) Ensure that a complete hearing subject to the provisions of chapter 91, HRS, would occur when the Hawaii Labor Relations Board conducts proceedings on determining essential workers.

As evidenced in last year's acrimonious public employee strike, much controversy was attributed to the Hawaii Labor Relations Board's determinations on which positions were to be deemed as essential. Your Committee believes that the definitions contained in the bill will remove future controversy over essential worker determinations.

Your Committee also believes that the bill provides the impetus for public employers to carefully consider, in advance, their requests for essential employees in an impending strike situation.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1037, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 1294      Agriculture, Labor, and Employment on H.B. No. 1431**

The purpose of this bill is to authorize the Department of Education to establish limited term, forty-nine per cent salaried educational officer and teacher positions.

The intent of this bill is to rehire recently retired qualified staff at less than part-time positions until such time as the Department of Education can recruit to fill the vacancies created by the early retirement plan of Act 212, Session Laws of Hawaii 1994. The authorization under this bill terminates on June 30, 2000.

Your Committee finds that this bill is necessary to allow the Department of Education an alternative if it is unable to recruit sufficient personnel by the beginning of the next school year to fill the vacancies.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1431, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1295      Agriculture, Labor, and Employment on H.B. No. 1770**

The purpose of this bill is to strengthen agricultural marketing efforts by requiring the Department of Agriculture (DOA), to:

- (1) Change the name of its "Island Fresh" campaign to "Hawaii Fresh"; and
- (2) Develop and initiate a program with the private sector to promote the "Hawaii Fresh" campaign.

Your Committee finds that the intent of this bill is to make consumers more aware, informed, and educated about the variety and benefits of the State's agricultural products.

However, testimony received by your Committee indicated a valid economic justification for retaining the existing "Island Fresh" program. Many participating producers of "Island Fresh" products have invested a significant amount of capital in their packaging and promotion of the "Island Fresh" logo. Although your Committee is sensitive to the concerns of these producers of local products, it also believes that this promotional program should be expanded to encompass an export market.

To this end, Your Committee has amended the bill to reflect this belief, giving due consideration to those producers who are currently participating in the "Island Fresh" promotion, and having the DOA explore new export promotional possibilities.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1770, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1296      Agriculture, Labor, and Employment on H.B. No. 1849**

The purpose of this bill is to add and to clarify definitions under Hawaii's plant and non-domestic animal quarantine law.

This bill adds definitions for "algae" and "protozoa" and amends existing definitions for "bacteria," "fungus," "inspect," "passed," and "virus."

The effect of this bill is to strengthen the plant and non-domestic animal quarantine law. According to supporting testimony for this administration measure from the Board of Agriculture, the amendment will allow for exemption from the permit process of microbial products, such as commercial cleansers and disinfectants.

Your Committee has amended the definition of "protozoa" on recommendation of the Hawaii Biotechnology Group to ensure that the term is not misconstrued to mean multi-cellular organisms generally motile by means of appendages. Such an interpretation would include animals with legs (e.g., dogs, cats, cows, horses).

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1849, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1849, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1297      Agriculture, Labor, and Employment on H.B. No. 2000**

The purpose of this bill is to transfer the authority to conduct hearings on appeals of violations under Chapter 104, Hawaii Revised Statutes (HRS), commonly referred to as the "Little Davis Bacon Act", from the Labor and Industrial Relations Appeals Board to the Director of Labor and Industrial Relations (Director).

Your Committee finds that existing law requires that first violation appeals and second and third violation determinations with regard to chapter 104, HRS, be heard by the Labor and Industrial Relations Appeals Board. In a report submitted in 1993, the Office of the State Auditor concluded that this process was cumbersome and time-consuming and would be more efficiently administered under the auspices of the Director of Labor and Industrial Relations.

In contrast, other states with prevailing wage laws similar to Hawaii's authorize the agency responsible for enforcement to conduct both investigations and hearings. Accordingly, this bill was introduced to establish an administrative hearings process within the Enforcement Division of the Department of Labor and Industrial Relations (DLIR).

Your Committee has amended the bill by:

- (1) Clarifying that a contracting governmental agency shall pay or cause to be paid contractually withheld wages or overtime compensation, and any penalty assessed under chapter 104, HRS, within sixty days of a determination made by the Director;
- (2) Clarifying that a contractor shall pay any wages or overtime compensation to laborers or mechanics, and any penalties assessed under chapter 104, HRS, to the Director, within sixty days of a determination made by the Director;
- (3) Requiring the Department of Labor and Industrial Relations to conduct a hearing on an appeal of a violation within sixty days of receipt of the request for a hearing and render a decision on the matter within sixty days after the conclusion of the hearing;
- (4) Stiffening penalties for noncompliance with chapter 104, HRS, and terms of a public works contract by:
  - (A) Mandating a fine of ten percent of the contract for the second offense of a government contractor found in violation of the terms of a government contract; and
  - (B) Requiring that, a government contractor that violates the terms of a public works contract for a third time be suspended from working on any public works project for three years;
- (5) Changing the effective date of the bill from July 1, 1996, to March 1, 1996, and the repeal date of section 4 from June 30, 1996 to February 29, 1996; and
- (6) Making numerous technical amendments that have no substantive effect.

Although the effective date of the bill is March 1, 1996, your Committee believes that the Director should have the immediate ability to enforce the penalties contained in this bill. To reflect this belief, your Committee has further amended the bill to allow the Director to immediately implement the mandatory ten percent penalty for a second violation of chapter 104, HRS, contained in the bill until such time that rules can be adopted and the new sections are effectuated.

Your Committee believes these amendments to chapter 104, HRS, are necessary to ensure compliance with the terms of public works projects, protect the employees of a government contractor, and to make certain that public funds are expended in a responsible fashion.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2000, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1298 (Joint/Majority) Communications and Public Utilities, Consumer Protection and Ways and Means on H.B. No. 471**

The purpose of this bill, as received by your Committees, is to encourage and facilitate further development of the State's telecommunications industry.

In particular, this bill:

- (1) Requires each carrier to provide interconnection to its facilities at any technically feasible and economically reasonable point within its network;
- (2) Provides that the current interstate tariff shall be used as the rate base for such interconnection until the public utilities commission can adopt a new intrastate tariff;
- (3) Requires nondiscriminatory access among all telecommunications carriers to poles, ducts, conduits, and rights-of-way;
- (4) Requires nondiscriminatory access to network functions on an unbundled, competitively neutral, and cost-based basis;
- (5) Requires the provision of telecommunications services and network functions without unreasonable restrictions on the resale or sharing thereof; and
- (6) Requires nondiscriminatory access of customers to the carrier of their choice without the need to dial additional digits or access codes.

Among other things, this bill requires the public utilities commission to preserve and advance universal service; to ensure telecommunications number portability and fair compensation agreements; to prevent cross-subsidization of

competitive services by noncompetitive services; and to ensure nondiscriminatory access to consumers in noncompetitive markets.

Your Committees find that with the rapid emergence of the global information infrastructure, statewide access to an advanced telecommunications infrastructure is essential to continued economic growth and competitive advantage for the people of Hawaii.

The bill as received adopted one means of achieving the goals set forth above. The Senate draft seeks to modify this approach by providing a reduced regulatory framework in return for commitments to invest in advanced telecommunications infrastructure, particularly in underserved areas of the state. Areas like Honoka'a, Pa'auilo, Laupahoehoe, Ka'u and Na'alehu to Ha'iku, Kula and Molokai to Waianae constitute the very kinds of rural, underpopulated parts of the State that would most benefit from the availability of advanced services as well as the economic development those new services would generate.

The mechanisms to help distribute the benefits of advanced telecommunications include establishment of a universal service program, deployment of advanced telecommunications services to strategically-located "community access points" like public schools, libraries, and health care facilities, and voluntary participation in the public/private advanced telecommunications foundation.

Your Committees acknowledge that the present Senate draft leaves many issues unresolved; however, it is another step in the continuing dialogue over the ways in which competition can effectively be introduced into Hawaii's telecommunications markets.

Your Committees have therefore amended this measure to ensure that all Hawaii residents benefit from basic, as well as advanced, telecommunications services through the following provisions:

- (1) Establishing a universal service program to assist specified groups of customers (i.e., low-income, disabled, and those living in relatively high-cost service areas) in obtaining affordable access to telecommunications services; and
- (2) Establishing an advanced telecommunications foundation comprised of public and private partners, to develop projects involving advanced telecommunications infrastructure and services.

Your Committees have also amended this measure by:

- (1) Providing, among other things, in the findings and purpose section that: relaxed regulation is necessary to ensure the quick and effective introduction of competition into all intrastate telecommunications services, while appropriate consumer safeguards must remain in effect throughout; effective competition is one measurement for allowing relaxed competition; federal preemption in the telecommunications area may negatively impact the continued progress of the industry in the State; a consistent state policy should ensure universal access to advanced telecommunications services throughout all communities; and the ultimate objective of the public utilities commission's infrastructure Docket No. 7702 is to promote relaxed regulation and the benefits of competition within as short a time frame as twenty-four months;
- (2) Providing that the obligations of telecommunications carriers under section 2 of the bill shall be effective upon determination by the public utilities commission;
- (3) Providing that, where possible, telecommunications carriers enter into negotiations to agree on the provision of services without requiring intervention by the public utilities commission, and for the public utilities commission to ensure that compliance with interconnectivity and similar requirements does not unduly burden telecommunications carriers;
- (4) Expanding the section dealing with regulatory flexibility to allow the public utilities commission to grant pricing flexibility or alternatives to traditional rate-of-return regulation, provided that universal service is preserved; appropriate investments are made to infrastructure improvements; commitments are made to provide service drops and basic service at no cost to schools, libraries, and health care facilities; appropriate contributions are made to the Hawaii advanced telecommunications foundation; and effective means to ensure consumer protections are in place;
- (5) Providing that the public utilities commission may use emergency rulemaking powers to effectuate the introduction of competition into the State's telecommunications industry upon ten days' notice of hearing. Such interim rules shall be effective for two years, during which the commission shall adopt permanent rules in accordance with chapter 91, Hawaii Revised Statutes; and
- (6) Requiring the public utilities commission to submit a report to the Legislature no later than September 30, 1995, detailing the progress of the introduction of competition into the State's telecommunications marketplace.

Your Committees have also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Communications and Public Utilities, Consumer Protection, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 471, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 471, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 11. Noes, 1 (Matsuura). Excused, 8 (Aki, Bunda, Fernandes Salling, Ikeda, Iwase, Solomon, Anderson, Liu).

**SCRep. 1299 (Joint) Communications and Public Utilities, Consumer Protection and Ways and Means on H.B. No. 1186**

The purpose of this bill is to require public utilities to inform customers, in writing and on a semiannual basis, of the procedures necessary to file a claim for damages incurred as a result of service outages.

Your Committees find that outages occur relatively frequently for many of Hawaii's utilities, and have potentially serious consequences for the health, safety, and economic vitality of the community.

Your Committees believe that this measure provides fair and uniform notification requirements which will benefit Hawaii's utility consumers, as well as Hawaii's public utility providers.

Upon further consideration, your Committees have amended this measure by:

- (1) Adding a number of new sections allowing each county to impose a gross receipts tax of not more than two and one-half per cent on public utilities in the following areas:
  - (A) All electric light, current, and power furnished to customers;
  - (B) The sale of gas furnished to customers through mains or conduits in public rights-of-way; or
  - (C) The conveyance or transmission of telecommunications messages or the transmission of intelligence by electricity by land, water, or air to customers within the State or between points within the State;
 during each calendar year;
- (2) Deleting references to outages, and substituting broader references to interruptions of service;
- (3) Providing that public utilities shall inform customers as to relevant claims procedures at the beginning of service, as well as on a regular basis thereafter;
- (4) Providing that public utilities proposing rate increases shall notify consumers by U.S. mail, in a clear and coherent written manner, of the proposed change in rates and of the time and place of the public hearing not less than thirty days (as opposed to seven days under current law) before the scheduled hearing;
- (5) Providing that, at intervals of at least every four years, the Public Utilities Commission shall conduct a preliminary review of each public utility not subject to section 269-16(g), Hawaii Revised Statutes (i.e., each public utility having annual gross revenues greater than \$2,000,000), and which has not filed an application for a rate increase in the intervening period, to determine whether to institute a rate review proceeding. The schedules of rate reviews shall be staggered;
- (6) Providing that the Public Utilities Commission, upon a showing of good cause, may render a final decision on a public utility's rate application after the normal nine month review period;
- (7) Clarifying the appeals process relating to orders of the Public Utilities Commission;
- (8) Providing that section 2 of the bill (which increases to thirty days the written notice requirement relating to proposed changes in rates and relevant hearings) shall not apply to any public hearing required as a result of a request to increase rates where the public hearing has been completed prior to the effective date of the bill;
- (9) Repealing chapter 240, Hawaii Revised Statutes, in light of the amendments allowing the counties to impose their own gross receipts tax; and
- (10) Amending the franchises of the Hawaiian Electric Company, the Hilo Electric Company, the Honolulu Gas Company, the Kauai Electric Company, the Maui Electric Company doing business on Lanai, the Molokai Electric Company, and the Maui Electric Company set forth in that order in the bill to conform to the amendments made in this bill.

Your Committees feel that each county should be able to impose this gross receipts tax on the public utilities as set forth above, instead of relying upon state law for this purpose. The amendments will broaden the reach of the counties so that all appropriate public utilities will pay the gross receipts tax. Your Committees feel that this amendment is in keeping with the home rule powers of the counties.

Your Committees have also made several technical, nonsubstantive changes to this measure for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Communications and Public Utilities, Consumer Protection, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1186, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1186, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 8 (Aki, Bunda, Fernandes Salling, Ikeda, Iwase, Solomon, Anderson, Liu).

**SCRep. 1300 (Joint) Communications and Public Utilities, Judiciary and Ways and Means on H.B. No. 1868**

The purpose of this bill is to amend the immunity presumption contained in the State's public records law by creating a rebuttable presumption that a person acts in good faith when acting in reliance upon an advisory opinion, determination, guideline, or rule adopted by the Office of Information Practices.

This bill also provides that a person commits the offense of tampering with a government record if the person intentionally does certain acts, like destroying government records, with the knowledge that the person lacks the authority to do so. This bill further provides that it is not a defense to a prosecution under section 710-1017, Hawaii Revised Statutes, that the author or ostensible maker of the record has authorized the alteration of the record unless the government record is in a preliminary, incomplete, or draft form.

Your Committees prepared and held a public hearing on a proposed Senate Draft 1 amending this measure by adding provisions requiring any agency that creates or causes electronic data to be created to establish a program to provide for public access, use, and dissemination of the electronic data that is disclosable (i.e., that does not violate rights of privacy), and to charge a fee for or to sell the electronic data and access to electronic data to commercial users.

The intent of this proposed amendment was to allow agencies to use moneys generated from the sale of electronic data to commercial users to also provide public access to the electronic data without charge.

The Office of Information Practices and other testifiers raised a number of concerns over the requirement that agencies charge fees for commercial use of electronic information.

Your Committees have therefore provided in the Senate Draft recommended for passage, an abbreviated provision which permits, rather than requires, agencies to establish a program to sell electronic data for commercial use, provided that any such program includes a component to provide free public access to the electronic data. In these times of severely diminished state resources, it is your Committees' intention to keep this issue alive for further debate and discussion.

Your Committees have also amended this measure by:

- (1) Deleting the amendment to section 92F-16, Hawaii Revised Statutes, creating a rebuttable presumption of good faith when acting in reliance upon Office of Information Practices guidelines; and
- (2) Providing that in any prosecution under section 710-1017, Hawaii Revised Statutes, it is an affirmative defense that:
  - (A) The person segregated information from a government record that is not required to be made available for public inspection and copying under chapter 92F, Hawaii Revised Statutes, for purposes of disclosing a government record in accordance with chapter 92F, Hawaii Revised Statutes; and
  - (B) The person segregated the information in accordance with rules or guidelines of the Office of Information Practices.

Your Committees have also changed the effective date and made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Communications and Public Utilities, Judiciary, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1868, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1868, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 14. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Matsuura, Taniguchi, Anderson).

**SCRep. 1301 Ecology and Environmental Protection on H.B. No. 22**

The purpose of this bill is to require the department to adopt written guidelines to determine circumstances which would require public informational briefings and hearings. Criteria include, but will not be limited to land-use decisions, cumulative impacts, public nuisances.

Your Committee received testimony in opposition to this bill from the Department of Health. The Hawaii Sugar Planters' Association recommended amending this bill to address biomass boiler regulations, which the department recently adopted.

Your Committee finds that the department should be allowed to retain flexibility in the review of potential environmental impacts. This review should be conducted on a case-by-case basis, especially when land-use decisions, cumulative impacts, public nuisances, and other factors are considered which are location and source type specific.

Your Committee finds that sugar factories burn bagasse to generate steam and electrical power, which reduces the need to import and burn fossil fuels. The department's recently adopted new rules regarding biomass boilers and inadvertently omitted the definition of biomass boilers. As a result, the biomass boilers operated by the sugar industry may not qualify to apply for biomass boiler permits.

This bill has been amended by your Committee to delete language regarding the adoption of written guidelines for potential environmental impacts. The definition of "biomass fuel burning boilers" has been added to section 342B-1, Hawaii Revised Statutes, in this bill.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 22, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 22, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ikeda, Levin).

**SCRep. 1302      Judiciary on H.B. No. 1491**

The purpose of the bill is to ensure that evidence is safely obtained to aid in the conviction of persons suspected of driving under the influence of intoxicating substances by:

- (1) Requiring a medical facility to provide at the request of the police, a blood sample of a person suspected of being intoxicated except in cases where the medical personnel responsible for taking the sample determines in good faith that recovering or attempting to recover the blood sample represents an imminent threat to the health of the medical personnel or others; and
- (2) Exempting from liability any person who complies with a request to withdraw blood under the direction of a police officer.

Testimony in support of the bill was submitted by the Honolulu prosecutor's office, the Honolulu police department, the Hawaii Trial Lawyers Association, Craig Thomas on behalf of the American College of Emergency Physicians, MADD, and Theresa Paulette.

Your Committee recognizes that under the present law, hospital and medical facility personnel can refuse the request of law enforcement officials to take blood samples from drivers involved in accidents resulting in injury or death. Currently, if the police want to access blood samples from persons involved in accidents, the prosecuting attorney must first present evidence before an investigative grand jury to establish probable cause that an intoxicating compound was used by the person. If the grand jury makes a finding of probable cause, then the police can obtain a court order to the hospital's custodian of records for the analysis of the blood sample. This bill will simplify the process, by allowing the blood sample to be taken by hospital and medical facility personnel upon request by the police.

Your Committee is aware that from 1986 through 1993, 1423 drivers were involved in fatal highway crashes in the State. Your Committee is informed that 54 per cent of fatal highway crashes were alcohol-related. Of those 1423 drivers, 627 or 44 per cent, were not given a blood test for alcohol. Police estimate that over 300 of these untested drivers were driving with a blood alcohol level content in excess of .10 at the time of the crash.

Based on the testimony received from the police that a high number of individuals involved in automobile accidents feign injury in order to avoid providing a blood sample, your Committee strongly believes that the public interest in highway safety requires that this large and serious loophole be closed.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, McCartney).

**SCRep. 1303      (Majority) Ecology and Environmental Protection on H.B. No. 388**

The purpose of this bill is to authorize the director of the Office of Environmental Quality Control (OEQC) to intervene and require an environmental impact statement for projects proposed by state agencies, when the agency recommends a negative declaration.

Your Committee received testimony in support of this measure from the OEQC, Hawaii Audubon Society, and various other groups. Members discussed the potential conflict of interest when a state agency is in a position of determining whether an environmental impact statement is required for its own project. However, your Committee was concerned about giving the director of the OEQC the authority to intervene.

After discussion and review of the testimony, your Committee has amended this bill by giving the environmental council the authority to intervene and require an environmental impact statement rather than the director of the OEQC. Proposed language was deleted from section 343-5(c), Hawaii Revised Statutes (HRS), because that section is for applicant applications and does not apply to state agencies.

Your Committee has also amended section 343-6, HRS, by adding language requiring that the council adopt rules prescribing procedures for the environmental council to intervene and require an environmental impact statement when an agency recommends a negative declaration.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 388, H.D. 1, as amended

herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 388, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 2. Noes, 1 (Chumbley). Excused, 2 (Ikeda, Levin).

**SCRep. 1304      Ways and Means on H.B. No. 513**

The purpose of this bill is to integrate the implementation of the Hawaii ocean resources management plan into the coastal zone management law.

The Hawaii ocean resources management plan is universally recognized as a thorough and useful document addressing the issues of managing marine and coastal resources. There is, however, little evidence to date of any coordinated effort of compliance despite previous efforts of the legislature through resolution to expedite the implementation of the plan.

This bill adds a new part to the coastal zone management law by establishing a new marine and coastal zone management advisory group and designating specific duties to that group and to the lead agency, the governor's office of state planning. This designation and requirement of compliance with the plan under the law should improve the current situation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 513, H.D. 1, S.D. 1, and recommends that it pass third reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1305      Ways and Means on H.B. No. 518**

The purpose of this bill is to encourage energy cost savings through the installation of cool storage air-conditioning systems.

Specifically, the bill would require an economic feasibility study for all plans and specifications for construction of air conditioned public buildings and facilities by the State whenever the estimated cost of air-conditioning is greater than \$250,000. If the energy cost savings resulting from the installation of a cool storage air-conditioning system is indicated to be a simple payback of five years or less, the installation would be required.

Your Committee finds that use of cool storage air-conditioning systems to perform refrigerating activities during off-peak hours will significantly reduce the State's dependence on imported oil to meet air conditioning energy requirements.

Your Committee has amended page 1 of this bill by:

- (1) Making a technical correction on line 8 to reorder the phrase "\$25,000 greater than" to read "greater than \$25,000"; and
- (2) Moving the reference to the energy division to precede the department of business, economic development, and tourism.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 518, 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. 518, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1306      Ways and Means on H.B. No. 1878**

The purpose of this bill is to simplify the implementation of state enterprise zones.

This bill specifically adds a new definition of "low-income employee". The definition replaces the requirement that a person have an income below eighty per cent of the median for the county -- with a person whose income is less than the lower living standard income for the county produced by the federal department of labor.

The bill also eliminates public utilities and banks and other financial corporations from eligibility as a qualified business to operate in an enterprise zone. The requirement that a public accountant be certified to submit annual eligibility status of a business to receive tax incentives is also repealed.

Other amendments include bringing the language up to date to reflect the most recent census, deleting provisions that a federal enterprise zone be included in any neighboring state enterprise zone and repealing the section permitting the State to lease or sell land in an enterprise zone which is unnecessary.

Your Committee finds that these modifications will provide a more open and accessible environment for state enterprise zones. Providing this type of access to businesses in Hawaii will assist them in these difficult economic times as well as provide new job opportunities for unemployed workers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1878, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1307      Ways and Means on H.B. No. 39**

The purpose of this bill is to authorize the department of transportation to waive landing and dockage fees during states of emergency and for humanitarian relief.

Specifically, this bill authorizes the department to waive landing fees and other aircraft charges at airports owned or controlled by the State whenever the governor declares a state of emergency and the department determines that the waivers are in accord with the delivery of humanitarian relief to disaster-stricken areas of the State. Likewise, this bill also separately authorizes the department to waive dockage and other charges at wharfs, piers, bulkheads, quays, landings, slips, and docks belonging to or controlled by the State, under the same two conditions.

Your Committee finds that the current law may benefit from some clarification to expressly allow the department to waive landing and docking fees during times of disaster, to promote humanitarian relief. Your Committee notes that inflexibility in requiring such fees during state-declared emergencies might not comport with the humanitarian spirit in which the entire community should conduct itself during such times.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 39, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1308      Ways and Means on H.B. No. 123**

The purpose of this bill is to provide for the expenditure of moneys out of the state highway fund for the establishment of bikeways on state and county roads.

This bill also provides for public safety and other exceptions to the establishment of bikeways, and requires the department of transportation to spend in any one fiscal year a minimum of one per cent of the total amount of funds received from the highway fund for bikeway development, maintenance, and repair.

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

- (1) Deleting the requirement that a minimum of one per cent be expended by the department for bikeways in any one fiscal year;
- (2) Placing an upper limit of \$10,000,000 with respect to the amount of funds that may be expended from the highway fund for the establishment of bikeways; and
- (3) Making other technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 123, 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. 123, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1309      Ways and Means on H.B. No. 1962**

The purpose of this bill is to allow the department of defense to receive, expend, use, manage, and invest private gifts of money, services, or property that may be provided for any purpose authorized under the Hawaii national guard youth challenge program (a program for "at risk" youths).

Specifically, this bill:

- (1) Requires a gift of money to be deposited by the director of finance in a separate account in the state treasury and expended in accordance with law and any terms and conditions that may pertain to the gift;
- (2) Makes the expenditures of gifts for the youth challenge program subject to the approval of the adjutant general;
- (3) Makes the department responsible for the management, repair, and maintenance of services and property received;
- (4) Exempts a source making a gift from liability for injury arising from the donated property, except where the injury stems from a defective product or negligence; and

- (5) Requires the department to maintain records of each gift, the essential facts of gift management, details relating to expenditures of all money made for the youth challenge program, and the current disposition, use, and condition of each gift held by the department.

Your Committee finds that the department of defense has received a \$4,000,000 federal grant from the National Guard Bureau to operate the Hawaii national guard youth challenge program. This is a federally established program designed to encourage youths "at risk" to work toward the full development of themselves; to experience success in school, work, and home; and to become productive members of society. It is envisioned that the receipt and use of private gifts would help the department to achieve the stated purpose of the youth challenge program. These gifts would be used for such purposes as scholarships for participant graduates, participant morale, welfare and recreation, and community relations. This bill would enable the department to receive, expend, use, manage, and invest gifts for the youth challenge program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1962, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 1310 Ways and Means on H.B. No. 2050**

The purpose of this bill is to provide the department of transportation with additional means to dispose of impounded vessels which are moored unlawfully in state commercial harbors.

Specifically, this bill authorizes the department to sell, junk, or donate any unauthorized impounded vessel for which no bid was received at a public auction.

Your Committee finds that this measure is substantially identical to S.B. No. 1598, S.D. 2, which was earlier recommended for approval by your Committee in standing Concurrent Resolution No. 792, dated March 3, 1995.

The present law sets forth procedures for the department regarding vessels moored in a state commercial harbor that have no valid use permit. Specifically, the department is required to post a notice to remove the vessel, impound the vessel, give notice of impoundment, and sell the vessel at a public auction. The law is silent as to what the department can or should do if no bid is received at the public auction. This bill provides the department with the further actions it may take.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

#### **SCRep. 1311 Ways and Means on H.B. No. 1220**

The purpose of this bill is to appropriate general operating and capital improvement funds for the support of state government operations over the 1995-1997 fiscal biennium.

### **STATE ECONOMIC OVERVIEW**

At no time in the history of the State has there existed a more urgent reason to bring about meaningful fiscal reform to the state budgetary process than at the present. Gone is the decade of the budgetary surplus and unfettered state government expansion; so too are the years of legislative complacency over the State's economic future. After almost ten years of economic growth, the State entered a new cycle of slow growth in 1991. Reports indicate that the growth rate of the gross state product in Hawaii fell in 1991 and remained at or near zero until 1994. The lackluster earnings of the State over the past several years reflect persistent and on-going weaknesses in Hawaii's economy. Moreover, most economic indicators predict only modest gains in Hawaii's economy over the next two years. The projected budgetary shortfall of \$250,000,000 for the current fiscal year and the next biennium provides an indicator of the tough economic times the State will face if decisive action is not taken by the legislature to regain control over the state budgetary process. Moreover, the state Council on Revenues issued an even less optimistic forecast for the State's economic future in its April 5, 1995 report by increasing its earlier estimate of the shortfall by another \$100,000,000.

In its approach to the development of this budget, your Committee turned a critical eye toward rectifying some of the underlying reasons for government inefficiency in Hawaii, including, but not limited to, the unbridled rate of government expansion and the excessive increase in program spending over the past several years. Your Committee is committed to the development of a zero-growth budget that takes the necessary steps to avert the drastic funding reductions that will become necessary if the legislature fails to take action to restore discipline and accountability to the state budgetary process.

Your Committee subscribes to the widely-held belief that meaningful fiscal reform will not occur in the state budgetary process until changes are brought about by clear and decisive actions of the legislature. The changes imposed upon executive agencies under this budget will not be painless. However, a piecemeal approach to budgetary reform will not achieve the type of results sought by your Committee. While arbitrary cuts have been avoided, your Committee has called for spending reductions within the budgets of each branch of state government. In conjunction with other measures approved by your Committee, this budget will result in the development of a better focused, more efficient, and less

cumbersome state operating system. While reducing program spending was a major element in the Committee's approach to the development of this budget, general fund savings have also been realized through the adoption of new and innovative revenue enhancement strategies and the creation of new means of financing mechanisms. The development of a leaner, more responsive state government serving the needs of the public from a foundation of less resources is the ultimate objective of your Committee. Your Committee believes that the foregoing objectives can only be attained by:

- (1) Downsizing and right-sizing programs and operations wherever possible;
- (2) Consolidating duplicative and overlapping functions and services whenever warranted; and
- (3) Eliminating ineffective and nonessential programs, services, and operations as necessary.

The sections that follow highlight the major budgetary changes and recommendations made by your Committee in developing the general appropriations budget for the 1995-1997 fiscal biennium.

### **ECONOMIC DEVELOPMENT**

Although significant reductions in general fund appropriations have been made in the state tourism budget, your Committee has nevertheless devised a method of allocating \$60,000,000 in non-general funds over the next two-year period toward tourism promotion and marketing. The foregoing reductions in general fund appropriations have been accomplished, in part, by the approval of H.B. No. 821 which increases the state transient accommodations tax by two percentage points. The revenues generated as a result of this increase will then be deposited into a special fund created exclusively for the promotion and marketing of Hawaii as a world-class tourist destination. Your Committee has also adopted an aggressive marketing plan which has the potential of generating \$29,900,000 in matching private funds for tourism-related activities over the next two years.

Significant reductions in spending have also been brought about by right-sizing and consolidating various duplicative or nonessential programs within the department of business, economic development, and tourism. Because the services provided by the following programs duplicate those that are performed by other state programs, your Committee has eliminated the Hawaii island office, the business action center, and the small business information services program. In addition, although the office of space industry has been abolished, the future flight Hawaii aerospace education program has been retained by transferring the program to the Hawaii space grant college.

Your Committee has also called for substantial reductions in the commerce and industry division for business development and marketing of the department. To make the program more efficient, your Committee believes that the division should re-scope and prioritize events and project sponsorship activities.

### **EMPLOYMENT**

One of the major budgetary reductions in the area of employment and labor include the elimination of the school-to-work transition center program. Your Committee also eliminated twenty-four permanent general funded positions within the department of labor and industrial relations. These actions, along with other cuts, resulted in \$2,400,000 in reductions during each fiscal year of the next biennium.

Your Committee also examined the various cost factors involved in programs relating to workers compensation, unemployment compensation, and employment services for socially and economically disadvantaged groups. A special fund for training and educating businesses has been established to promote safety in the workplace and reduce workers compensation claims.

### **TRANSPORTATION FACILITIES AND SERVICES**

Although the programs within the department of transportation are funded exclusively through non-general funds, the budgetary requests of the department were nonetheless scrutinized under the standards applied to all other programs of the State. In keeping with its objective to make across-the-board reductions in program spending, your Committee has made appropriate cuts in program spending throughout the transportation budget. After examining the department with equal scrutiny, your Committee has also denied all inflationary adjustments for the upcoming biennium.

### **ENVIRONMENTAL PROTECTION**

While various budgetary reductions have been made in the area of environmental protection, your Committee wishes to focus its discussion on one particular point of concern, namely, the apparent use of special fund moneys by the department of health for administrative and other non-intended purposes. Your Committee finds that the various special funds of the environmental management division of the department of health were established to address specific problems in the environment. The statutory provisions of each special fund clearly delineate the intended uses of each fund. However, recent reviews of the expenditures of the department reveal the wide use of special fund moneys for various inappropriate purposes. Although corrective measures have not been fully developed at this time, your Committee intends to address this problem.

**HEALTH**

In keeping with the Committee's theme of maximizing the use of resources, a bold step has been taken by your Committee to improve the fiscal administration of the state hospital system. Over the years, the hospitals have moved slowly toward greater autonomy within the state system. Under measures pending before the legislature, even more progress will be made in moving toward that direction. H.B. No. 1976 and S.B. No. 1674 serve to lift the yoke of the State from hospital administration, while keeping the system entirely accountable to the legislature. By easing constraints on purchasing and pay for staff, hospitals will be able to use their resources more efficiently and begin to attract the best and the brightest in the field.

Your Committee finds that the hospitals have consistently demonstrated the capacity to generate sufficient funds to sustain themselves as a system. Legislation approved by your Committee will begin to relieve the State of its general fund obligation to the state hospital. This action alone will result in a savings to the State of over \$24,000,000 over the 1995-1997 fiscal biennium.

During its review of the budgetary practices of the state hospital, your Committee uncovered several highly questionable fiscal practices. Specifically, your Committee found that significant amounts of unbudgeted funds, as well as funds budgeted for permanent nursing positions were diverted by the state hospital into contracts for the purchase of these services. Information reviewed by the Committee reveals that for more than five years, contracts have been issued to the same contractor through the non-bid process for the purchase of nursing services. Had the legislature's instruction to establish permanent nursing positions been faithfully executed, the state hospital would undoubtedly have been in full compliance with the federal requirement for minimum levels of staffing. Compliance would have also ensured adequate levels of care for state hospital patients and would have avoided the need to approve the additional \$2,900,000 requested in a recent governor's message for the next two fiscal years to supplement these services. In addition, part of the \$6,200,000 emergency appropriation for the child and adolescent mental health division was to cover other services provided by the same interest. Because of the questionable nature of these transactions, your Committee has denied all funding requests for the purchase of these services. Your Committee feels that a thorough examination of the agency's budgetary practices is necessary.

In the area of children's mental health, your Committee has shifted over \$1,500,000 from the residential mental health services program under the child and adolescent mental health division to the state interdepartmental cluster for children and youth program. Your Committee finds that this action will ensure better levels of care to Hawaii's children at a much lower cost to the public.

Because of the gravity of the Felix v. Waihee consent decree and its potential programmatic and fiscal implications, your Committee has taken all the necessary steps to ensure that resources remain in the appropriate expending agencies and that funds appropriated are utilized to the best extent possible. Your Committee has directed the department of health to take steps to facilitate the development of the Hawaii Ohana Project. A federal grant of over \$18,000,000 for the next five years provides for the development of a community-based system of child care for children in Waianae and the leeward district of Oahu. This project integrates seamlessly with the mandates of the Felix v. Waihee consent decree, and may serve as a model for a statewide continuum of care for Hawaii's children.

**SOCIAL SERVICES**

In keeping with its commitment to consolidate or eliminate inefficient or duplicative programs of the State, your Committee has abolished the executive office on aging and office of children and youth. The functions of the foregoing programs have been transferred to the department of human services.

Your Committee has also provided for the transfer of the state commission on the status of women from the department of human services to the office of the lieutenant governor. The realignment of the commission from the social services program area to the government-wide support area will enable the commission to operate more efficiently. While funding for the commission has been reduced, your Committee believes that sufficient funds have been allocated to ensure full operation of the program.

Your Committee also called for the phase-out of the Job Opportunities and Skills (JOBS) program in the second half of the 1995-1997 biennium. The purpose of the program is to assist individuals in families receiving Aid to Families with Dependent Children (AFDC) assistance to achieve financial self-sufficiency. Regrettably, however, after five years of operation, the JOBS program shows no progress toward the attainment of its principal objective. According to the state auditor, the program is costly, inefficient, and wasteful of time and resources. Based on program expenditures, the auditor estimated the cost of processing each successful exit client in the JOBS program to be nearly \$100,000. Moreover, during fiscal year 1994-1995, the department of human services requested an additional emergency appropriation of \$4,060,557 in general funds to supplement the cost of the AFDC program. Your Committee further finds that the JOBS program is scheduled to conclude on September 30, 1995 and that the likelihood of renewal by the federal government is uncertain. The foregoing factors lead your Committee to believe that the most prudent course of action would be to terminate the JOBS program after the 1995-1996 fiscal year.

Your Committee further finds that cost of operating the various assistance programs under the department of human services has been escalating steadily over the years. For fiscal year 1994-1995, an additional appropriation of \$19,751,055 was appropriated during the current legislative session to cover payments to assist families with dependent children, general assistance expenses, and the QUEST program. During periods of fiscal austerity, the high cost of these programs become even more apparent. Other state programs are affected as limited resources are diverted to cover the needs of these assistance programs. The clear trend in other States has been to cut back on the funding of these payment programs.

In reviewing the budget of the department of Hawaiian home lands, your Committee found sufficient amounts of non-general fund moneys within various special fund accounts to fund a number of positions in the department. In this regard, your Committee has changed the means of financing of these positions from general funds to the alternate sources identified.

## EDUCATION

This year, the budgetary process of the department of education rose to new levels of obscurity. While the department did submit adequate documentation for its request items, the bulk of the department's \$700,000,000 current services budget escaped the scrutiny of the governor's review. The budget submitted to the legislature was fraught with highly questionable budget practices, and were it not for the exhaustive review of your Committee, much of this suspect activity would have avoided the light of responsible review. Along with a budget that was deceptive in its construction, the department held firm to claims that the executive and the legislature would leave the department seriously underfunded if the budget were passed as is. Your Committee, in its review, feels assured that this is not the case, and that much of the money that has been appropriated to the department has not been expended in a manner that serves the best interest of Hawaii's children. Because of the direct correlation between proper resource distribution and the success of instructional programs, your Committee believes that the department bears a fundamental responsibility to provide detailed, factual, and straightforward budgetary information to the executive and the legislature.

After reviewing the department's budget, your Committee found many of the department's claims relating to anticipated shortfalls to be without substantiation. Through the redistribution of moneys that the department had acknowledged were overages in programs, your Committee was able to direct substantial amounts of funding to regular instruction. The deficits of \$9,000,000 and \$12,000,000 that the department had placed against regular instruction have been fully funded. Through its review and actions, your Committee has developed a budget that goes far beyond the executive budget in putting our schools as the highest priority.

In the area of regular instruction, your Committee has provided for the addition of nearly three hundred teachers for the classrooms of Hawaii. While the bulk of these positions are newly appropriated by the legislature, your Committee thought it prudent to redirect additional instructional positions from the state and district offices to the schools. The department has been given a year to make this transition that will again place more emphasis in direct classroom instruction.

In the process of examining this budget, your Committee has uncovered a substantial amount of federal funds that were not accounted for in the executive budget. This grant was given by the United States Department of Defense to accommodate some of the burden placed on the system by the enrollment of military dependents. Given these very lean fiscal times, your Committee felt that these funds should be used to offset the primary needs of the department. After reviewing the conditions of the awarding of these funds, your Committee was able to apply \$3,600,000 towards the purchase of equipment and books for twenty-two schools.

Because of a concern of not diverting resources from the classroom, your Committee has also provided \$1,300,000 for each year of the biennium to allow the department to meet its workers compensation obligation. Knowing that education is a high priority, the department of education was the only department in the State provided additional moneys to meet such costs.

Your Committee has had many opportunities to hear the concerns of parents, students and educators throughout the State in its various community hearings. One of the most common pleas was for the legislature to address the on-going shortage of textbooks and library books for our schools. Your Committee was appalled at the depth and severity of the problem. In response, your Committee has provided funds specifically for the acquisition of student text and library books. This appropriation will provide each of Hawaii's schools with over \$14,400 in fiscal year 1995-1996; and over \$8,400 in fiscal year 1996-1997 to specifically fulfill this dire need.

Finally, your Committee wishes to discuss the matter of using available resources in a manner that directs both resources and energies to the classroom. We believe that this budget has taken a dramatic step in this direction. Through the use of provisos, your Committee hopes to address concerns in personnel policies, inefficient budgeting for equipment, overall budgeting practices, and the effective integration of repair and maintenance functions between the department of accounting and general services and the department of education.

## HIGHER EDUCATION

While funding in the area of higher education has been reduced significantly, your Committee has developed several revenue enhancement mechanisms to offset some of the reductions envisioned in this budget. Although cutbacks in various areas are necessary, your Committee believes that the reductions proposed by the governor--\$7,200,000 for the remainder of fiscal year 1994-1995; \$14,400,000 for fiscal year 1995-1996; and \$14,400,000 for fiscal year 1996-1997--are too drastic in several respects. For example, the cutbacks envisioned by the governor appear to disproportionately impact the statewide system of community colleges.

As noted above, your Committee, through the approval of H.B. No. 1257, has developed various mechanisms to offset some of the reductions in funding proposed in this budget. The bill establishes a special fund to enable the University of Hawaii to use self-generated revenues from various sources toward the development and improvement of existing programs. The bill proposes several revenue generating mechanisms to maximize the earnings of the special fund, including but not limited to: (1) suspending tuition waivers; (2) expanding the burden on non-residents; (3) increasing the fee charged under the university's apprenticeship program; and (4) appropriating the earnings of various non-general fund revenue sources under the university to the special fund. While flexibility will be enhanced, the bill also establishes various restrictions to ensure legislative control over expenditures. The bill specifically delineates the various appropriate

and prohibited uses of the special fund proceeds. The non-general fund revenue generating mechanisms established by your Committee to offset the reductions in general fund appropriations will ensure program continuity within Hawaii's institutions of higher education.

### CULTURE AND RECREATION

While it fully supports the growth and expansion of the arts in Hawaii, your Committee concurs with the recommendations contained in the governor's message to significantly reduce the amount of funds to be allocated to the state foundation on culture and the arts. Although the reductions are sizable, your Committee finds that the funding cuts will not preclude the foundation from issuing grants in the 1995-1997 fiscal biennium.

### PUBLIC SAFETY

Two major issues of concern for your Committee in the area of public safety included the problem of prison overcrowding and the high cost of overtime pay for department of public safety personnel. To address the matter of prison overcrowding, your Committee has allocated funds for the operation of an eighty bed dormitory on Kauai and a seventy-two bed dormitory on the island of Hawaii.

In its examination of the public safety budget, your Committee focused particular attention upon the department's efforts to control overtime costs. Preliminary studies indicate that \$1,200,000 could be saved if lockdown procedures are instituted at facilities in lieu of payment of overtime fees to corrections employees. Your Committee is hopeful that the lockdown plan will reduce overtime costs and has directed the department to submit a report to the 1996 legislature on the progress made by the department in developing and implementing the plan.

Your Committee is also committed to the maintenance of adequate health services at correctional facilities. Additional positions and funds have been appropriated to enable the health care division of the department of health to provide efficient and effective mental health services. The additional resources will enable the health care division to comply with the requirements of the consent decree to provide adequate health care.

### GOVERNMENT-WIDE SUPPORT

In keeping with its effort to eliminate duplication among state programs, your Committee has abolished the office of international relations, whose functions have been taken in by the department of business, economic development, and tourism. Similarly, your Committee has transferred the office of collective bargaining to the department of human resources management. In the interest of efficiency, your Committee has called for the placement of the governor's agriculture coordinating committee within the agribusiness development corporation rather than the department of agriculture. For purposes of consolidation, your Committee has transferred the geographic information system program from the office of state planning to the department of land and natural resources. To reduce expenditures and curtail further program expansion, your Committee has imposed various fiscal constraints on the office of the governor and the office of state planning.

### CONCLUSION

As noted in the introductory section of this report, the challenges currently facing the people of Hawaii are unprecedented in the history of the State. The choices made by your Committee in the course of developing this budget have been difficult, but the economic realities of the present dictate that we all share in the sacrifices that must be made. In addition to the budgetary reductions called for in this budget, spending cuts have been made in the budgets of the legislature, the judiciary, and the office of Hawaiian affairs.

The future of the State is literally at stake; the actions of the legislature at this juncture will play a pivotal role in affecting the bearing of our path into the next century. Your Committee is committed to positively influencing this outcome. Your Committee looks forward to meeting with the House Committee on Finance to finalize the details of this biennium budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1220, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1220, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

### SCRep. 1312      Ways and Means on H.B. No. 1262

The purpose of this bill is to provide appropriations to the judiciary for the 1995-1997 fiscal biennium.

After almost a full decade of economic prosperity in Hawaii, the State entered a new cycle of slow economic growth in 1991. The lackluster earnings of the State over the past several years reflect persistent and on-going weaknesses in Hawaii's economy. The projected shortfall of \$250,000,000 over the next two and one-half year period provides an alarming indicator of the troubled times the State may face if immediate and decisive action is not taken to reinstate legislative control over state spending. Your Committee is committed to the development and passage of a zero-growth

budget that takes prudent steps to avert the drastic actions that will undoubtedly become necessary if the legislature fails to restore discipline and accountability to the state budgetary process.

In its effort to formulate a judiciary budget that protects the public and promotes the development of a more efficient state court system, your Committee was compelled to consider the following factors: (1) the apparent failure of the judiciary to consider the growing budget deficit of \$250,000,000 prior to submitting its request to the legislature; (2) the lack of preventative maintenance measures in the state court system to reduce the need for capital improvement project appropriations in the future.

In preparing this budget, your Committee conducted a thorough analysis of the judiciary's initial request for \$190,834,243 for the 1995-1997 fiscal biennium. Your Committee also examined the actual expenditures of the judiciary during fiscal years 1990-1991, 1991-1992, 1992-1993, and 1993-1994. In finalizing the judiciary's budget, your Committee appropriated the funds necessary for the judiciary to meet its current program and operational expenses without resorting to the elimination of "warm body" positions.

After carefully examining the fiscal practices of the judiciary, your Committee regrettably reports--for the third time in three consecutive years--that the judiciary has failed to make substantial progress in correcting shortcomings and implementing budgetary practices that would bring about accountability and sound fiscal management within the organization. Among the most egregious examples of budgetary mismanagement in the judiciary is the highly questionable tactic employed by the budget and statistics division (B&S) of the judiciary to accumulate and intentionally reallocate appropriations of the legislature. Your Committee finds that in its effort to generate contingency funds, B&S intentionally restricts appropriations to programs of the judiciary. The funds are then used to create "reserve contingency funds" that are expended largely for emergency and unanticipated needs. Your Committee finds that expenditures of this nature resulted in the purchase of \$2,700,000 in equipment during the 1993-1994 fiscal year. However, the actual amount allocated by the legislature for the same fiscal year for such expenses was only \$257,719. These tactics demonstrate that the judiciary lacks confidence in its court administrators in setting priorities and making the proper choices for handling emergencies and specific legislative approved activities with the resources provided.

To improve fiscal management in the organization, your Committee recommends that the judiciary develop and execute expenditure plans and communication methods that foster stricter controls and utilize limited resources in a more effective and efficient manner. These expenditure plans should be developed by the program administrators and not by B&S. These plans should have the flexibility to make necessary expenditure adjustments at any time during the fiscal year to achieve formulated program goals and objectives.

Your Committee also recommends that the judiciary develop a budget request system that analyzes and incorporates historical spending trends; implementation of cost savings to current procedures and procurement; workload increases; program changes; and short- and long-term planning to better utilize limited resources.

Your Committee wishes to make a special note of a particularly important capital improvement project appropriation incorporated into this bill. During its deliberations, your Committee reviewed the judiciary's proposal for the development of a judiciary complex in Honolulu's officially-designated secondary urban center at Kapolei. Your Committee finds that in September 1988, the State received a commitment for forty acres of land and offsite infrastructure in the area for the development of the new complex. According to plans, the complex will initially contain a family court center and a juvenile detention center. The complex will eventually be expanded to include circuit and district court services.

Your Committee finds that the establishment of the new state court complex at Kapolei is consistent with the State's plan to replace aging juvenile detention facilities in the area as well as expand court services to meet the demands of leeward Oahu's expanding population. The availability of land to develop the complex and the need to expand services in the area makes the development of this project especially urgent at this time.

In conclusion, your Committee has crafted this budget with a view toward the economic realities confronting the State as well as the varied proposals, concerns, and objectives of the public, the judiciary, the house of representatives, and the senate. Your Committee believes that it has fashioned an equitable and fiscally responsible judiciary biennium budget that will serve the people of the State and set the course for budgetary discipline in the future.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1262, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1262, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Fernandes Salling, Fukunaga, Liu).

#### SCRep. 1313      Ways and Means on H.B. No. 1780

The purpose of this bill is to provide appropriations to the Office of Hawaiian Affairs (OHA) for the 1995-1997 fiscal biennium.

After almost a full decade of economic prosperity in Hawaii, the State entered a new cycle of slow economic growth in 1991. The lackluster earnings of the State over the past several years reflect persistent and on-going weaknesses in Hawaii's economy. The projected shortfall of \$250,000,000 over the next two and one-half year period provides an alarming indicator of the troubled times the State may face if immediate and decisive action is not taken to reinstate legislative control over state spending. Your Committee is committed to the development and passage of a zero-growth budget that takes prudent steps to avert the drastic actions that will undoubtedly become necessary if the legislature fails to restore discipline and accountability to the state budgetary process.

In the past, your Committee has expressed concerns over OHA's questionable and inconsistent use of trust funds. Unfortunately, this concern was once again a major issue in your Committee's examination of OHA's budget request for the current biennium. In addition, several other questions, such as inaccurate reporting of expenses and discrepancies in funding of contracted services also have become topics of concern.

As noted above, OHA's misuse of trust fund moneys continues to be a troubling issue for your Committee. Your Committee finds that OHA has used trust fund moneys in the past to create unauthorized staff positions without securing authorization from the legislature. Following the creation of these positions, OHA then submits a request to the legislature for matching general funds based on the premise that matching moneys must be provided in accordance with section 10-3, Hawaii Revised Statutes. Your Committee finds that OHA's use of trust funds to surreptitiously increase staff size represents a clear attempt to circumvent the authority of the legislature. For this reason, your Committee has denied OHA's current request for matching moneys to fund these unauthorized positions. Until OHA submits budgetary documents that are clear and concise and accurately reflect past expenditures, and until the agency--in coordination with the State--develops a clear policy for the use of trust funds, your Committee will remain wary of OHA's budgetary requests.

Another issue examined by your Committee involves discrepancies in funding for certain organizations jointly funded by OHA and the State. For example, your Committee has learned that Alu Like--a non-profit organization that works to improve conditions for all Hawaiians--refunds unexpended moneys to OHA on a regular basis. These funds are then used arbitrarily by OHA to pay for expenditures not authorized by the legislature. Budgetary tactics such as these have led your Committee to reduce the amount of state funds provided to Alu Like and other services contracted by OHA. Your Committee wishes to impress upon OHA that funds allocated for organizations such as Alu Like should be expended exclusively for the purposes intended.

In addition to the foregoing, your Committee finds that OHA has frequently reallocated moneys from one budget area to compensate for shortfalls in others. For example, OHA's rental fees have often exceeded the amounts actually authorized by the legislature in a given fiscal year. To address these shortfalls, your Committee finds that OHA has intentionally overestimated the budgets for selected expense items--ostensibly to use these proceeds to make up for shortages in rent in fiscal years 1996 and 1997.

Your Committee finds that OHA is no longer a subordinate state agency. The payment of past payments due along with on-going revenues from the ceded land trust under section 10-3, Hawaii Revised Statutes, combine to make OHA a major organization with vast resources. OHA must build on this position and utilize these resources to assist the State in the development of methods to address the needs of all Hawaiians. Your Committee encourages OHA to open new lines of communication and dialogue with agencies of the State, such as the department of education, and the department of Hawaiian home lands, to develop programs to achieve these ends. Given the State's fiscal crisis, funding for programs such as the Hawaiian language immersion and the Hawaiian studies programs of the department of education may face reductions in funding. Instead of allowing these programs to be impacted by possible reductions, your Committee recommends that OHA develop methods to assist its beneficiaries by restoring resources to these programs.

The department of education's Hawaiian language immersion and Hawaiian studies programs are both centered on perpetuating the Hawaiian language, culture, and values. These programs, financed solely from general funds, benefit native Hawaiians, and qualify for funding from revenues mentioned in section 10-13.5, Hawaii Revised Statutes. OHA's culture division--which is funded almost entirely through trust funds--functions in a manner similar to the Hawaiian programs of the department of education. Your Committee encourages OHA to explore the possibility of providing funds equal to general fund appropriations for the Hawaiian language immersion and Hawaiian studies programs. This action will alleviate the strain on the state general funds to provide these resources.

Your Committee further finds that the waiting list of the department of Hawaiian home lands consists of over sixteen thousand native Hawaiians. Hampered by limited resources, the department is unable to expeditiously assign applicants to homestead lots. These applicants are also beneficiaries of the ceded land trust, mandating OHA to strive to improve their conditions. OHA could best facilitate betterment of native Hawaiians on waiting lists for Hawaiian homesteads, through cooperation with the department of Hawaiian home lands in homestead development.

In spite of these concerns, your Committee wishes to acknowledge the fact that OHA has made substantial progress in its effort to improve the conditions of people of Hawaiian descent. In view of the vital services provided by OHA, your Committee has restored funding for programs such as Alu Like, the Waianae diet program, printing for Ka Wai Ola O Oha, the Native Hawaiian revolving loan fund program, the self help housing program, and various other services administered by OHA.

To rectify some of the problems discussed earlier in this report, your committee recommends that OHA develop a budget that accurately and consistently reports all "other current expense" items. Your Committee also urges OHA to incorporate historical spending trends when estimating future expenditures.

Your Committee has thoroughly reviewed the various issues and funding requests from OHA and is confident that a fair and fiscally responsible zero-growth budget has been formulated. Although requests for funding for the expansion of services have been denied, your Committee feels that the proposed budget will enable OHA to meet the needs of OHA's program endeavors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1780, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1780, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Fernandes Salling, Fukunaga, Liu).

**SCRep. 1314      Ways and Means on H.B. No. 1691**

The purpose of this bill is to require the office of veterans' services to inspect and report annually on all state war memorials and veterans' cemeteries for repair and maintenance deficiencies.

Your Committee finds that the State's war memorials are intended to remind future generations of the freedoms for which so many sacrificed so much for us all. Our veterans' cemeteries are the final resting place of our country's fallen heroes and their comrades-in-arms. Both have the same ultimate goal--to honor.

Some of our war memorials and veterans' cemeteries no longer have the appearance of being hallowed ground. The recently dedicated Korean-Vietnam Memorial, now less than a year old, is already being stained by water spots, etched by the elements, and is deteriorating because of lack of proper maintenance.

Hawaii's war memorials and veterans' cemeteries are our promise to veterans that their deeds and names will not be forgotten. How this State cares for its war memorials and veterans' cemeteries is a reflection of the esteem in which it holds the men and women who fought and died for their country.

We therefore have an obligation, to the extent the State's fiscal situation will allow, to ensure that some of these war memorials and veterans' cemeteries continue to serve the purposes for which they are intended.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1691, 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. 1691, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1315      Ways and Means on H.B. No. 331**

The purpose of this bill is to appropriate operating funds for the "safe haven" pilot project of the department of health.

The safe haven pilot project will provide services to chronically homeless persons who are also mentally-ill. The project is designed to provide shelter and address the medical needs of individuals who are often difficult to reach through traditional social and health services. The appropriation will cover the operating costs of the project, including the costs of clinical and clerical staff.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 331, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1316      Ways and Means on H.B. No. 1466**

The purpose of this bill is to appropriate funds for various vocational rehabilitation programs.

Your Committee finds that persons who suffer from disabilities such as blindness, deafness, or substance abuse and other problems can be helped to become productive citizens by programs which seek to restore dignity through rehabilitation. Your Committee finds that by providing funds for these vocational programs, the goal of self-sufficiency of all disabled persons might be achieved. It means making an investment in the worthiness of all persons regardless of disabilities, which benefits Hawaii's society in the long run.

After careful deliberation, your Committee has amended this bill by changing the permanent status of the restored positions to temporary, in light of the current fiscal uncertainties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1466, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1466, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1317      Ways and Means on H.B. No. 1643**

The purpose of this bill is to extend the repeal date of the nursing facility tax from July 1, 1995 to July 1, 1997. This bill also requires that federal matching Medicaid funds be deposited in the health care revolving fund to be expended for Medicaid purposes by the department of human services.

The nursing facility tax was established as a temporary tax to provide revenues that would allow the department of human services to obtain sufficient Medicaid matching funds until an alternative long-term care financing mechanism is

implemented. The long-term care centers are dependent on the reimbursement from the Medicaid program and the community is dependent on the ability of these nursing facilities to provide these essential services.

Your Committee finds that a two-year extension of the nursing facility tax will provide adequate resources for reimbursement to nursing facilities while the department of human services has additional time to implement alternative financing or other acceptable remedies. Requiring Medicaid matching funds to be deposited into the health care revolving fund will ensure that these funds are used for reimbursement purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1643, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1318      Ways and Means on H.B. No. 1806**

The purpose of this bill is to extend the repeal date from June 30, 1996 to June 30, 1998 for the Maluhia waitlist project, provided that the repeal date may be sooner if federal matching assistance is terminated.

Your Committee finds that the Maluhia waitlist project is a demonstration project which requires federal medicaid waivers. It is intended as a community-based care program to help provide long-term care in a home like environment at lower cost, to frail senior citizens who do not need the high level skilled nursing provided in hospitals. Having such a waitlist project would relieve the backlog of patients in acute care facilities who are awaiting non-existent nursing home beds. Therefore, extending the repeal date would provide more time for this project to come online.

Your Committee has amended this bill by identifying with greater specificity the date this Act shall be repealed if the repeal is due to termination of federal assistance. As currently written, the Act is repealed on June 30, 1998 "...provided that the repeal date may be sooner if federal matching assistance is terminated". While the condition upon which the repeal is based may be clear conceptually, the event is not likely to be one that will receive much public notice. A more specific mechanism is needed to fix the date for repeal of this Act. Therefore, your Committee's amendment provides that when federal matching assistance ends, the Governor shall issue an executive order announcing that fact. The Act then is repealed one day after the issuance of the executive order.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1806, 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. 1806, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1319      Ways and Means on H.B. No. 1991**

The purpose of this bill is to establish the statewide council on independent living, which is presently attached to the department of human services for administrative purposes, as a "free standing" executive agency until June 30, 1998.

Your Committee finds that this bill is necessary to comply with the 1992 and 1993 amendments to the Federal Rehabilitation Act of 1973, as amended, which prohibit the statewide council on independent living from being established as an entity within another state agency, including the designated state unit (i.e., the department of human services). The receipt of federal funds for the provision of independent living services to individuals with severe disabilities is conditioned on the State's compliance with the foregoing amendments.

Your Committee also finds that this bill avoids the conflicts that the foregoing federal mandates might have had with section 6 of Article V of the State Constitution, which requires all executive and administrative offices, departments, and instrumentalities of the state government and their respective powers and duties to be allocated by law among and within not more than twenty principal departments. The statewide council on independent living is being established as a temporary agency until June 30, 1998 to comply with a provision in section 6 that allows the legislature to establish temporary, free-standing commissions or agencies for special purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1991, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1320      Ways and Means on H.B. No. 337**

The purpose of this bill is to afford elders a viable long-term care alternative to expensive institutional long-term care by encouraging the development and expansion of community-based adult day health centers (ADHC).

Your Committee finds that the department of health regulates ADHCs while the department of human services regulates adult day care centers (ADCC). At present, ADHCs are subject to stringent regulations meant to apply to higher level skilled nursing and intermediate care facilities (SNF/ICF). Furthermore, ADCCs that care for ICF-level patients do not receive medicaid compensation that ADHCs receive. To do so, an ADCC needs to be additionally licensed at the higher ADHC level, a task all but impossible.

This bill requires the two departments, in coordination, to adopt, amend, or repeal, as necessary, the Hawaii Administrative Rules regulating ADHCs and ADCCs to present a rational, unified framework for eligibility and admission, program, licensing requirements, and scope of services for the two types of facilities. The bill also requires the rules to guarantee the maintenance of high standards of quality of care at both ADHCs and ADCCs. The department of health is also required to review the appropriateness and feasibility of using moneys currently funding day treatment centers for the developmentally disabled to include elders.

Your Committee believes that this bill will make community-based ADHCs a viable long-term care alternative and will encourage their expansion in Hawaii. Changes to the rules will also bring rationality to the regulation of ADHCs and ADCCs. The rules will allow a proper allocation of services between ADHCs and ADCCs including overlap in common areas that will assist ADCCs in their effort to obtain ADHC licensing.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 337, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1321      Ways and Means on H.B. No. 898**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds up to \$45,000,000 to help the Kapiolani Health Care System to finance capital costs.

The bill also repeals the "sunset" provision prohibiting the issuance of special purpose revenue bonds for not-for-profit health care facilities after June 30, 1995.

Your Committee finds that the Kapiolani Health Care System serves thousands of women and children annually from the State and others in the Pacific. As an important health care provider, it behooves the State to give the kind of assistance to Kapiolani that would increase its capacity through new construction or capital equipment purchases, or help improve its services through renovation of existing facilities.

Your Committee has amended this bill by replacing it with the contents of S.B. No. 1022, S.D. 1, which are essentially the same as this bill. However, instead of repealing the sunset provision entirely, the sunset date is now extended to June 30, 2000. In this way, section 39A-52 can be re-examined before 2000 in light of circumstances as they exist at that time.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 898, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 898, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1322      Ways and Means on H.B. No. 1968**

The purpose of this bill is to replace the requirement for premarital serologic testing for rubella with a requirement for prenatal serologic testing for rubella.

Specifically, this bill:

- (1) Repeals the requirement for marriage that the female provide a physician's statement verifying that she has been given a serological test for immunity against rubella and has been informed of the adverse effects of rubella on the fetus;
- (2) Requires every person permitted by law to attend a pregnant woman in the State, during the period of gestation or at delivery, to cause a blood specimen from that woman to be tested for immunity to rubella, except when the woman does not consent or there is documentation that the woman has been tested previously for immunity to rubella or has been immunized against rubella; and
- (3) Requires the department of health to make available to every woman applying for a marriage license a brochure explaining rubella, the risks of infection with rubella during pregnancy, and how to seek testing and immunization.

Your Committee finds that only 3.4 per cent of women applying for marriage licenses in Hawaii are susceptible to rubella. The low incidence of rubella in women of childbearing age indicates that the risk of contracting rubella disease during pregnancy is extremely low. Your Committee also finds that the risk of transmission of congenital rubella syndrome is not dependent on the marital status of the mother. Since unmarried women are not subject to premarital screening, their only screening occurs when they access the medical system for prenatal exams. Prenatal screening for rubella is considered a standard of practice by the American College of Obstetricians and Gynecologists. This practice eliminates the need for premarital screening since pregnant women are routinely screened during prenatal exams.

Your Committee has amended this bill by:

- (1) Placing the provision requiring the department of health to make available the foregoing brochure on rubella in chapter 572, Hawaii Revised Statutes (marriage), rather than chapter 576 (Uniform Reciprocal Enforcement of Support Act); and
- (2) Making a technical, nonsubstantive amendment for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1968, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1968, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1323      Ways and Means on H.B. No. 1976**

The purpose of this bill is to further assist the division of community hospitals (DCH) in the department of health (DOH) to improve delivery of health care services by granting additional exemptions and powers for the purpose.

This bill:

- (1) Exempts the DCH's special funds from transfers for central service expenses by the director of finance;
- (2) Exempts the DCH's special funds from their prorated share of departmental administrative expenses incurred for operations supported by the special funds;
- (3) Grants the DCH the power to transfer special fund appropriations among community hospital facilities and across counties on certain conditions, requires quarterly and annual reports, and prohibits the DCH from using current appropriations so that programs are expanded to incur increased future state funding;
- (4) Removes the administrator of the procurement office in the department of accounting and general services as the procurement officer of the DCH;
- (5) Clarifies the DOH's power to participate in health care service and insurance and other alternative health care delivery programs to the extent that they involve discounts and contractual adjustments from its rates, rents, fees, and charges;
- (6) Grants the DCH the power to increase as well as decrease rates, rents, fees, and charges by up to five per cent in each of the next two fiscal years. This power is to be repealed on June 30, 1996;
- (7) Exempts the DCH pilot autonomy hospitals from competitive bidding and preference statutes;
- (8) Prohibits physicians from referring patients to entities with which they or their immediate families have a financial relationship for certain designated health services;
- (9) Allows the director of health to fill one hundred per cent of positions vacated, prohibits holding vacant any of those positions, and prohibits the elimination of any of those positions mandated by Act 212, Session Laws of Hawaii 1994;
- (10) Allows the DCH to trade off and transfer, or establish positions within the existing authorized position count ceilings between the effective date and June 30, 1996; and
- (11) Re-enacts on June 30, 1996, section 323-70, Hawaii Revised Statutes, which does not authorize the DCH to increase rates, rents, fees, and charges, in the form in which it read on the day before the effective date of the bill.

Your Committee finds that these additional measures will help the division of community hospitals to further improve their delivery of health care services to the people of the State while at the same time accruing cost savings.

Your Committee has amended this bill to delete the prohibition against physicians referring patients to entities with which they or their immediate families have a financial relationship for designated services because the prohibition may possibly fall outside the title of the bill.

Your Committee has also amended this bill to make a technical correction to enable the DCH to increase rates in each of the next two fiscal years. Currently, section 11 of this bill appropriately makes permanent the amendments made by section 3 of Act 192, Session Laws of Hawaii 1994, to section 323-70, Hawaii Revised Statutes (which allows the rate increases). However, section 373-70 is erroneously reenacted in the form in which it existed in 1994. Your Committee, therefore, has amended section 11 of the bill to delete the erroneous reenactment of section 323-70, Hawaii Revised Statutes, and to provide instead for the reenactment of section 323-73, Hawaii Revised Statutes, the amendments to which are repealed by the repeal of section 4 of Act 192.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1976, 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. 1976, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1324      Ways and Means on H.B. No. 1980**

The purpose of this bill is to authorize the department of health to establish fees for the certification of forensic examiners and to deposit them into the mental health and substance abuse special fund.

Additionally, this bill requires the department to use the deposited fees exclusively to support the application, training, certification, and monitoring of the forensic examination program as it relates to mental health and substance abuse.

Your Committee finds that certification is mandated under penal code provisions on the examination of defendants with respect to physical or mental diseases, disorders, or defects. However, no department is presently designated or funded to implement the certification mandate. This bill expressly places responsibility with the department of health and funds the mandate through a self-supporting special fund.

Your Committee believes that the department of health is the appropriate agency to implement the mandate of section 704-404, Hawaii Revised Statutes, because of its expertise in mental health matters. Also, the use of a special fund to carry out the mandate appears justified because the fees can be used only to support certification-related activities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1980, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1325      Ways and Means on H.B. No. 386**

The purpose of this bill is establish state policies and guidelines to promote environmental awareness throughout the State.

Your Committee finds that Hawaii's natural environment is the State's most valuable asset. While programs and initiatives of government, the private sector, and nonprofit environmental organizations have all expanded the public's awareness of environmental problems in the State, additional efforts should be initiated to encourage and maximize public involvement in the effort to protect Hawaii's environment.

Your Committee has amended this bill by removing the proposed amendment to section 344-4, Hawaii Revised Statutes, which would have required agencies of the State to consider the environmental guidelines of the section regardless of practicality. Your Committee finds that it is imperative that agencies of the State consider the practicality of their actions prior to following the guidelines of the section. Your Committee has also amended this bill by clarifying the legislative findings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 386, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 386, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 3 (Bunda, Solomon, Tanaka).

**SCRep. 1326      Ways and Means on H.B. No. 745**

The purpose of this bill is to appropriate funds for the development of a comprehensive, statewide nonpoint source pollution control program, and for the Hawaii nonpoint source pollution management and control program.

Specifically, this bill:

- (1) Appropriates \$130,000 to the office of state planning for the development of a comprehensive, statewide nonpoint source pollution control program to meet the requirements of the federal Coastal Zone Act Reauthorization Amendments of 1990; and
- (2) Appropriates \$380,721 to the department of health to provide matching funds for the federal Clean Water Act section 319(h) grant that will improve the effectiveness of nonpoint source pollution control programs.

Your Committee finds that the federal Coastal Zone Act Reauthorization Amendments of 1990 require coastal states like Hawaii to develop comprehensive, statewide nonpoint source pollution control programs by July 1995 or face the loss of federal funding for certain water pollution management and control programs. Federal funding for the development of the foregoing program is subject to a dollar-for-dollar state match. In addition, federal funding for the Hawaii nonpoint source pollution management and control program is subject to a forty per cent state match.

Although it is well aware of the need to protect the State's ground water, coastal water, and surface water resources from nonpoint source pollution; and the amount of federal funding that the State might forfeit if this bill is not fully funded by the legislature, your Committee believes that the fiscal condition of the State requires the reduction or elimination of nonessential expenditures to ensure the continued delivery of essential public services.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated to the office of state planning from \$130,000 to \$60,000, and designating the office of the governor as the expending agency for this appropriation;
- (2) Deleting the appropriation to the department of health; and
- (3) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 745, 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. 745, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Bunda, Tanaka).

**SCRep. 1327      Ways and Means on H.B. No. 1425**

The purpose of this bill is to establish the position of state recycling coordinator in the department of health.

Your Committee finds that recycling is increasingly necessary to the State, as our landfills are reaching maximum capacity. Between forty and fifty per cent of the State's waste stream consists of recyclable materials, and the State has set a goal of reducing its solid waste by twenty-five per cent as of this January and fifty per cent as of the year 2000. A recycling coordinator will provide crucial support and coordination in reaching the State's recycling and reduction goals.

Your Committee notes that the position created by this bill would replace the existing position of solid waste coordinator in the office of solid waste management, which is already budgeted. Thus the creation of this position will not increase the position count in the department, but will merely redistribute resources the better to implement recycling programs within the State.

Your Committee has amended this bill by:

- (1) Changing the salary from "not more than \$46,000", to \$42,538, the same amount as the budgeted salary for the position that the recycling coordinator will be replacing;
- (2) Requiring waste disposal companies to use commercial bioconversion facilities to dispose of wet food wastes provided the fees are the same or less than public disposal facility fees;
- (3) Adding a "drop dead" provision that will repeal this bill on June 30, 1997; and
- (4) Providing for the codified statutory provisions to revert to their present form when this measure "drops dead" in 1997.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1425, 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. 1425, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Bunda, Tanaka).

**SCRep. 1328      Ways and Means on H.B. No. 115**

The purpose of this bill is to appropriate funds to increase public access to legislative proceedings.

The legislature finds that public access to legislative proceedings is an important program that benefits the community and the legislators. The legislature is also aware that the public, educational, and governmental (PEG) access program funded by access operating fee payments by the cable franchise operators has similar goals. The PEG access program is not a federally mandated program but federal law does allow a state to impose a fee on cable franchise operators up to five per cent of a cable franchise operators gross revenues that can be used for funding a PEG access program.

The PEG access programs in Hawaii have succeeded in providing diverse programming to the community that may not be commercially viable but is important to broadcast. Your Committee finds that more participation by the legislature would enhance the PEG access program.

Your Committee has amended the purpose section of this bill to include an explanation of the PEG program. A new section has been added to the Hawaii cable communications systems law (chapter 440G, HRS) to require cable franchise operators to deposit all access operating fee payments to the public, educational, and government fund. The new section also requires the director of commerce and consumer affairs to make disbursements from that fund only to designated nonprofit PEG access corporations that have budgets approved by the legislature by concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 115, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1329      Ways and Means on H.B. No. 792**

The purpose of this bill is to require the legislative reference bureau to study the feasibility of an optional retirement plan for University of Hawaii employees based on a defined employer contribution rate.

The bill also appropriates \$1 for the bureau to conduct this study.

Your Committee finds that a careful review of the impact of providing a private retirement plan should be made before the legislature makes this option available to university employees. The University of Hawaii must compete with many other quality mainland institutions in recruiting top level academicians. Into this equation new professors consider not only salary and employee benefits, but also the quality of life and cost of living factors. Perhaps the availability of an optional retirement plan may make working for the University of Hawaii more attractive. However, the long term and public policy impacts are not certain. The experience of other schools in other states would be useful information to have. By directing this study by the bureau, your Committee believes this type of information can be collected and analyzed to help the legislature make a reasoned decision in a future session.

Your Committee finds that the level of appropriations required for the study, which could require contracting for the services of actuaries, can be ascertained during conference discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 792, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1330      Ways and Means on H.B. No. 837**

The purpose of this bill is to clarify that programs covered by the community college conference center revolving fund include noncredit conferences, seminars, courses, and activities conducted by the community services programs of the community colleges.

Your Committee believes that clarifications of a more serious nature are needed for the conference center revolving fund.

Your Committee has amended this bill by conforming the language of the statute creating the fund to that which creates the conference center revolving fund for the University of Hawaii, Hilo campus.

Specifically, this measure is amended by requiring the provosts of the community colleges to prepare an annual report to the legislature accounting for all income and expenditures of each separate account within the revolving fund.

Present law expressly requires an annual accounting for the conference center revolving fund of the University of Hawaii, Hilo campus, but is silent regarding an accounting for the conference center revolving fund of the community colleges. Both funds necessarily should be accountable to the legislature. This measure cures the deficiency in the current law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 837, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 837, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1331      Ways and Means on H.B. No. 1426**

The purpose of this bill is to specifically exempt from the general excise tax, interest received by nonresidents from a resident trust company acting as a trustee on behalf of the issuer of an interest bearing instrument.

This amendment does not change the department of taxation's current practice. To date, the general excise tax has not been assessed, which means there would be no tax revenue loss by this amendment. The adoption of the language in this amendment to the general excise tax law does not contravene the application of existing law and only serves to clarify the situation with respect to this particular set of facts.

Historical interpretations by the Hawaii Supreme Court of the "situs" of the obligation have raised questions whether the interest is subject to Hawaii's general excise tax and has turned nonresidents away from doing business with resident trust companies. This amendment should provide adequate assurance to nonresident business taxpayers contemplating using a resident trust company as the paying agent for interest bearing instruments that the amounts received will not be subject to the general excise tax.

Your Committee has amended this bill by clarifying the exemption. The clarification ensures that the exemption is authorized only for amounts that but for a Hawaii paying agent or trustee, would not have been taxable under Hawaii general excise tax law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1426, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1426, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1332      Ways and Means on H.B. No. 1763**

The purpose of this bill is to establish a Hawaiian fishpond program under the jurisdiction of the department of land and natural resources.

In particular, this bill streamlines the permitting process for the reconstruction, restoration, repair, and use of certain Hawaiian fishpond systems, or "loko i'a", by consolidating under the board of land and natural resources certain permits from various agencies.

Your Committee agrees that fishpond reconstruction, restoration, repair, and use have been hampered by a slow, costly, and cumbersome regulatory process, and that there is a need to streamline the process for appropriate loko i'a and restore traditional cultural practices without damaging coastal environments.

However, your Committee finds that this bill, rather than streamlining the permitting process, may have the unintended result of making the process more complex. To better address the needs of fishpond operators, your Committee has therefore amended this bill in accordance with amendments proposed by the office of state planning to address the major issues of timeliness, cost, and convenience.

The amendments made by your Committee are the result of long and extensive meetings between the office of state planning and the department of land and natural resources to find a workable solution to these issues. Your Committee regrets not being able to solicit comments from the public but invites written comments regarding the amended bill.

With respect to the issue of timeliness, your Committee finds that the major permits can be processed more quickly. This can be achieved by adding a requirement that specific permits, certifications, and approvals for fishponds be processed within one hundred eighty days.

Each of the relevant statutes should be amended to so require. However, chapter 183C, Hawaii Revised Statutes (HRS), already requires a decision within one hundred eighty days. Chapter 171, HRS, was amended last year to allow for the expedited leasing of public lands for fishponds in section 171-28, HRS (Act 69, Session Laws of Hawaii 1994). The requirements of section 200-6, HRS, are fulfilled by obtaining a permit under chapter 183C. Chapter 342D, HRS, has no time limit. Special management area and setback variances under chapter 205A, HRS, are issued by the counties. Any time limit would have to be adopted by the county councils because of idiosyncrasies in county charters and ordinances.

Thus, only chapter 342D, HRS, needs to be changed. In addition, language has been added that requires fishpond permits and certifications to be processed before all others.

Your Committee further finds that the costliness of the regulatory process can be reduced in two ways. First, the requirements of chapter 343, HRS, can be exempted if--and only if--the fishpond is to comply with certain conditions. These conditions could be enforceable by the department of land and natural resources through a conservation district use permit pursuant to chapter 183C, HRS. If these conditions are not met, then an environmental assessment needs to be done. A fishpond operator who agrees to these conditions will not have to spend the time or money fulfilling the requirements of chapter 343, HRS. Subsequent noncompliance would trigger the penalties and enforcement procedures outlined in chapter 183C, HRS.

Second, administrative changes can be made. The department of health's environmental planning office is committed to amending its water quality rules to simplify the process for fishponds. In addition, the department of health's clean water branch, with the help of the environmental planning office and the department of land and natural resources, is exploring the issue of establishing a general permit and registration process for stormwater permits for fishponds. These changes should reduce the burden on applicants and allow them to know immediately what information they need to provide.

Finally, with respect to the issue of convenience, your Committee finds that fishpond operators need one place they can go to find out what they need to do to obtain permits. They also need one place to submit their permits, certification, and approval applications.

The logical choice is the department of land and natural resources' aquaculture development program (ADP). The ADP has requested that all government agencies make fishponds a top priority. The ADP could show exemplary leadership by re-prioritizing its activities to have someone available to walk an application through the process. This person should ensure that all affected agencies, including those within the department of land and natural resources, department of health, and the counties, receive the application immediately. This person could also ensure that applications are processed concurrently rather than sequentially.

Your Committee has therefore amended this bill by replacing the contents of the bill and adding the following:

- (1) Adding a new chapter that defines Hawaiian fishponds; exempts proposed reconstruction, restoration, repair, or use of fishponds from the requirements of the environmental impact statement law upon compliance with certain conditions; and requires the department of land and natural resources to actively assist applicants applying for permits, certifications, and approvals to reconstruct, restore, repair, and use fishponds;
- (2) Adding a new section to the water pollution law to require the department of health to process applications for permits and water quality certification for the reconstruction, restoration, repair, or reuse of Hawaiian fishponds and before all other permits and certifications, and to require the director of health to render decisions on the

completeness of applications within thirty days of receipt and on completed applications within one hundred fifty days; and

- (3) Amending the conservation district law to require conservation district use permits for the reconstruction, restoration, repair, or reuse of Hawaiian fishponds exempted from the requirements of the environmental impact statement law to provide for compliance with the conditions set forth in the new chapter on Hawaiian fishponds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1763, H.D. 3, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 2 (Bunda, Tanaka).

**SCRep. 1333      Ways and Means on H.B. No. 1787**

The purpose of this bill is to continue state support for the recovery efforts of the Hilo-Hamakua community.

Specifically, this bill extends funding authorization of prior Acts passed by the legislature and provides appropriations of unspecified amounts for the upcoming biennium.

Your Committee finds that the residents of the Hilo-Hamakua community foresaw the closure of Hamakua Sugar Company and the Hilo Coast Processing Corporation and organized to prepare the employees, their families, and the community for the eventual loss of their primary economic base and traditional plantation lifestyle. The efforts of the residents, with assistance from the State, have made significant progress in rebuilding their community. It is in the best interests of the State and the community to continue to support these recovery measures.

Your Committee has amended this bill by changing the effective dates of three sections to avoid the possibility of an inadvertent lapsing of funds already appropriated and due to lapse at the end of this fiscal year, and by making a few technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1787, 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. 1787, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1334      Ways and Means on H.B. No. 1985**

The purpose of this bill is to clarify the parameters of the general assistance (GA) law to limit payments to GA-eligible individuals with a primary diagnosis of substance abuse to six months.

This bill clarifies section 346-71, Hawaii Revised Statutes, governing the GA payment program by repealing its contents and substituting new provisions that:

- (1) Specify the primary diagnosis of substance abuse as a criterion for eligibility for GA payments in addition to the applicants' being at least fifty-five years old, being eligible by disability, having dependent children in the home not otherwise provided for, and who are unable to sufficiently support themselves or those dependent upon them;
- (2) Specify, as preconditions for eligibility, applicants' ineligibility for comparable federally funded financial assistance programs, bona fide residence in Hawaii, and provision of social security numbers;
- (3) Disallow otherwise eligible individuals who have a primary diagnosis of substance abuse from being considered eligible by disability, and that limit their eligibility for assistance to six months;
- (4) Exclude any person from the general assistance program for twelve months who has been disqualified for failure to comply with any law or administrative rule governing general assistance; and
- (5) Authorize the director of human services to adopt pertinent rules.

Accordingly, this bill repeals current provisions of section 346-71, Hawaii Revised Statutes, that relate to:

- (1) Income and resource criteria;
- (2) Exclusion of the entire assistance unit upon non-compliance of an adult member of the unit, with certain exceptions;
- (3) The definition of "assistance unit";
- (4) Determination of bona fide residence in the State;
- (5) Eligibility for GA of persons between age eighteen and sixty-five who are disabled, and criteria for their eligibility including:
  - (A) Inability to work as a result of a determination and certification of physical or mental impairment;

- (B) The process of such determination and treatment by psychiatrists and psychologists;
- (C) Annual re-evaluation of the impairment;
- (D) The definition of "substantial" gainful employment and "disabled";
- (E) Referral to vocational rehabilitation and the requirement to accept such services as a condition for continued eligibility;
- (F) Ineligibility of the entire assistance unit upon non-compliance by any adult member who fails to cooperate regarding vocational rehabilitation services; and
- (G) Possible requirement of eligible recipients to seek employment and participate in public work projects;
- (6) Eligibility for GA of persons with dependent children in the home, and criteria for their eligibility including:
  - (A) Unemployment for twelve months under certain conditions;
  - (B) Active search for gainful employment;
  - (C) Non-refusal of offers of work;
  - (D) Requirement to register and availability for work;
  - (E) Exhaustion of all unemployment benefits;
  - (F) Insufficient income from employment; and
  - (G) The definition of "children" in the home;
- (7) Eligibility of persons at least fifty-five years of age, and certain criteria for their eligibility including:
  - (A) Unemployment for twelve months under certain conditions;
  - (B) Active search for gainful employment;
  - (C) Non-refusal of offers of work;
  - (D) Requirement to register and availability for work;
  - (E) Exhaustion of all unemployment benefits; and
  - (F) Insufficient income from employment; and
- (8) Requirement for all physically fit and employable persons (those with dependent children at home and those at least fifty-five years old) to register for work on public work projects and accept assignments to work.

Your Committee believes that lump-sum budgeting for the general assistance program is necessary. Accordingly, your Committee has deleted the contents of this bill and replaced it with the contents of the H.D. 1 version which provides for lump-sum budgeting. In addition, this bill, which is identical to the H.D. 1 version, now also:

- (1) Authorizes the director of human services to determine the amount of assistance based upon the total appropriated amount;
- (2) Authorizes the director to determine qualifications for general assistance within the guidelines and priorities of departmental rules;
- (3) Removes the requirement for the department of human services (DHS) to assign psychiatrists and psychologists on a rotating basis to examine applicants;
- (4) Removes the restriction on the examining psychiatrist or psychologist to provide treatment;
- (5) Requires a person to accept and pursue medical treatment when a determination of physical impairment is made;
- (6) Requires an annual re-evaluation of persons determined to be physically impaired, in addition to those determined to be mentally impaired, as a condition for continued certification;
- (7) Requires the DHS to adopt rules establishing qualifying guidelines and priorities for general assistance, as well as a method for determining assistance amounts; and
- (8) Appropriates, for purposes of discussion, \$1 for fiscal year 1996-1997 for general assistance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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 Third Reading in the form attached hereto as H.B. No. 1985, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1335      Ways and Means on H.B. No. 1208**

The purpose of this bill is to allow the director of finance to invest moneys of the State in notes or bonds of selected federal government sponsored agencies and in securities of mutual funds with portfolios limited to United States government securities with the highest ratings.

Your Committee finds that this bill is necessary to enhance the ability of the director of finance to manage state moneys by providing the director with additional investment opportunities to increase investment earnings of the State without compromising the State's primary objectives of safety and liquidity.

Upon further consideration, your Committee has amended this bill to change the effective date to July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1208, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1208, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Solomon, Tanaka, Liu).

**SCRep. 1336      Ways and Means on H.B. No. 1472**

The purpose of this bill is to lower the income tax credit for low-income household renters, the food/excise tax credit and the medical services excise tax.

Specifically, this bill lowers the income tax credit for low-income household renters from \$50 to \$25 multiplied by the number of qualified exemptions. The food/excise tax credit amount is lowered from \$55 to \$27.50 times the number of qualified exemptions. The medical services excise tax credit is reduced in half from four to two per cent of qualified medical expenses but does not change the amount of the allowable credit for nursing facilities expenses paid.

The State is facing a dramatic budget shortfall and is forced to tighten the reins on certain tax credits. Your Committee finds that the medical services excise tax credit hurts the State two-fold by paying out revenues and also by incurring additional costs in the administration of monitoring the accuracy of claims for the credit.

Your Committee has amended this bill by repealing the medical services excise tax credit, changing the effective date to apply to taxable years beginning after December 31, 1994, changing the proposed food excise tax amount of \$27.50 to \$27.00 pursuant to a tax department suggestion, and by making other technical, nonsubstantive corrections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1472, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1472, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Fukunaga, Solomon, Tanaka).

**SCRep. 1337      Ways and Means on H.B. No. 1909**

The purpose of this bill is to require all special, revolving, and trust funds of the State to pay the assessment for central service and administrative expenses unless specifically exempted.

Your Committee has amended this bill by deleting its contents and inserting the following amendments.

Your Committee finds that although the State is eligible to receive substantial amounts of federal funds in a number of areas, state programs often fail to take advantage of full amounts available. Federal moneys are forfeited because certain federal fund reimbursements require a level of coordination among state agencies that does not currently exist. The creation of a fund for the collection and distribution of federal fund reimbursements will improve the State's ability to capitalize on available federal funds.

In this regard, this bill has been amended by establishing a temporary interagency federal revenue maximization revolving fund for the collection of available federal revenues. The fund shall be used to pursue, collect, and distribute additional federal fund reimbursements. Your Committee has established a sunset date of June 30, 1999 for the fund.

In keeping with its ongoing effort to regain fiscal control over the manner in which revolving fund proceeds are expended by agencies of the State, your Committee has further amended this bill by repealing the exemption which permits the expenditure of these proceeds without legislative allocation or review. Your Committee finds that except in the case of the revolving funds administered by the housing finance and development corporation and the Hawaii community development authority, revolving fund expenditures made by agencies of the State should be subject to full review and appropriation by the legislature.

Your Committee has further amended this bill by including a new section establishing a financial institution examiners' revolving fund within the department of commerce and consumer affairs. The provision allows the commissioner of

financial institutions to pay the salaries of financial institution examiners and support personnel out of the proceeds of the fund. Your Committee has also amended section 412:2-105, Hawaii Revised Statutes, relating to the fees and assessments payable by financial institutions to the commissioner of financial institutions for services rendered. The provision has been amended to deposit all the proceeds generated under the section to the financial institution examiners' revolving fund rather than the state general fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1909, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1909, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1338      Ways and Means on H.B. No. 48**

The purpose of this bill is to require the director of finance to transfer specific sums of moneys from designated special funds, revolving funds, and other funds and accounts to the general fund on July 1, 1995.

Specifically, this bill affects the following funds and accounts: the Hawaii historic preservation special fund, the state educational facilities improvement special fund, the in-service training programs and activities revolving fund, the litigation settlement clearance account, the Aloha Stadium special fund, the Hawaii agricultural loan revolving fund, the industrial park special fund, the Hawaii capital loan revolving fund, and the employment and training fund.

Your Committee believes that these fund transfers return more control and flexibility to the State over the use of its overall funds.

Your Committee has amended this bill by deleting the employment and training fund from the list of funds affected under this measure. Your Committee finds that the employment and training fund is not an appropriate fund from which to transfer moneys to the general fund, for it is directly supported by a specific payroll tax upon the business community. Your Committee has added to the list the Hawaii strategic development corporation revolving fund. Your Committee has also changed the specific amounts of sums scheduled for transfer to an unspecified amount.

Your Committee has also amended this bill by adding clarifying provisions pertaining to legislative objectives, policies, priorities, and programs, requiring public access to information held by private corporations funded by state moneys, and creating a medicaid investigations recovery fund.

Specifically, this measure is amended by requiring that the total appropriation for any program or item of a program shall not be reduced or remain unallocated until after a determination is made by the executive branch whether a legislative priority has been established for that program or item. This bill also now requires the legislature to establish program and item priorities when necessary through the use of budget provisions.

Additionally, this bill is further amended by amending the definition of "agency" under the uniform information practices law to include corporations or other establishments whose operations are funded in whole or in part by the State. This amendment reaches only records that pertain to the performance of a service for the State but exclude raw data or other work-in-progress for the performance of that service.

Additionally, this bill is further amended by establishing a medicaid investigations recovery fund as a special fund to be administered by the attorney general. Moneys to be deposited into the special fund will come from the settlement agreements and court orders pertaining to investigative and litigation costs. Moneys from the special fund will be used for the operating costs of the fraud unit in the department of the attorney general.

Your Committee has further amended this bill to require the Director of Finance to transfer balances from general, special, revolving, interdepartmental, and county accounts established prior to July 1, 1994 into the general fund and on July 1, 1995, transfer balances from current accounts into accounts authorized for fiscal year 1995-1996. The bill was also amended to add a new section to close accounts on July 30th of each fiscal year. Also, your Committee has included language to require the Director of Finance to report to the legislature on amounts transferred.

Your Committee believes that a comprehensive package of reforms to the present laws on the state budget are needed in order to ensure that legislative policies are being executed by the executive branch according to legislatively dictated priorities. Your Committee is aware that in times of budgetary constraints, a plenitude of social policies and a scarcity of funds means that state operations as a whole can continue only if some legislatively-funded programs are downsized or eliminated by the administration. Your Committee finds that during previous periods of revenue shortfalls, the executive branch often made the judgment call of not implementing programs rather than downsizing them. Your Committee, on the other hand, believes that the judgment call as to which programs should be downsized or left unimplemented, though funded by appropriations, is in actuality a policy decision that falls well within the jurisdiction of the legislature. This bill attempts to provide a mechanism through which the executive branch can utilize legislative appropriations in accordance with a plan of priorities established by the legislature.

Your Committee further finds that significant sums of state funds are channelled out of the government to subsidize private enterprises. Public accountability over the use of these funds is lost once the funds cross over the threshold into the private sector; the auditor's jurisdiction for postaudits rests only with the transactions and programs of state and county agencies. A further purpose of this bill therefore is to require public disclosure of the documents, records, and information pertaining to a private entity's use of public funds as they pertain to the performance of a service for the State. This will in turn give the legislature the opportunity to determine if the funds are being used as intended.

Finally, your Committee finds that a special fund is one appropriate means to fund the operations of the medicaid fraud unit. The State's fraud unit is presently established within the department of the attorney general, in order to accommodate the federal mandate that the medicaid fraud unit be within a department other than the public assistance department (in Hawaii, the department of human services). Under federal law, the fraud unit is allowed to keep a portion of the moneys it recovers for its investigative efforts. State law presently does not expressly designate a special fund into which those moneys may be deposited, so the balance of moneys has been going to a special account. This measure expressly recognizes a special fund for the recoveries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 48, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 48, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Solomon, Tanaka, Liu).

#### **SCRep. 1339      Ways and Means on H.B. No. 1920**

The purpose of this bill is to make technical corrections and substantive changes to the laws governing the Hawaii hurricane relief fund ("fund").

Specifically, this bill requires: tangible personal property to be eligible for coverage under the fund's hurricane policies; rate increases following a covered event to remain in effect until obligations have been discharged; quarterly collections to be made for assessments in years in which the covered event does not occur; the additional assessments to not include premiums for losses in excess of coverage provided by the fund; the fund to have its expenses for an examination of its accounts by the insurance commissioner approved in advance by the board; the hurricane reserve trust fund to be moved out of the state treasury; surcharges for the hurricane reserve trust fund to be stated separately on billings; reinsurance funds to be deposited into the hurricane reserve trust fund; and net moneys remaining upon the dissolution of the hurricane relief fund to be paid for any federal disaster insurance program before it reverts to the State general fund.

Additionally, this bill: removes the comparable coverage exemption for insurers regarding additional assessments in the year a covered event occurs; removes the thirty-day notice requirement of assessments; grants the fund the authority to exact equitable assessments of the special mortgage recording fees; exempts adoptions and amendments to the fund's plan of operation and the manual of rules and rates; but not the policy forms, from administrative rulemaking requirements; and extends the authority of the director of finance to issue general obligation bonds for three additional fiscal years.

Your Committee has amended this bill by adding that when additional assessments are made following losses from a covered event, the total assessment shall be based on the proportion of the total aggregate premiums from policies of property insurance together with the total fund premium from policies of hurricane property insurance to the total premium from policies of property insurance together with the total fund premium from policies of hurricane property insurance.

Your Committee believes that the tremendous importance of the Hawaii hurricane relief fund to the well-being of property owners in this State requires it to be adjusted and fine tuned in order that its requirements be made clear and precise.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1920, 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. 1920, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

#### **SCRep. 1340      (Joint/Majority) Agriculture, Labor, and Employment and Ways and Means on H.B. No. 133**

The purpose of this bill, as received by your Committees, is to establish a commission to explore different funding, eligibility requirements and benefit structures, and the actuarial effect of these alternatives, on the existing public employee benefit system.

Your Committees find that the State is facing a fiscal crisis in which state agencies have had to make budget cuts while trying to retain full staffing for their programs. However, additional budget restrictions may be required depending upon whether the State realizes sufficient revenues to close-out the present fiscal year. Your Committees strongly believe, however, that in the event further cuts are required, more amenable alternatives to employee termination should be seriously considered and offered instead. One alternative which may be initiated in lieu of employee terminations is the limited furlough of employees. Your Committees further believe that the limited furlough of employees is an appropriate temporary alternative to address the immediacy of the fiscal crisis.

Thus, upon further consideration, your Committees have amended this bill by deleting its contents and substituting therefor provisions which authorize a temporary employee furlough and a reduction in the amounts of grants, subsidies, and purchases of service and other contracts.

Specifically, this bill requires:

- (1) The Office of Collective Bargaining (OCB), within twenty days of the effective date of the Act, to hold an election to determine if a majority of the employees is in favor of a furlough program;

- (2) If a majority is in favor, each department to furlough each employee (except for employees earning less than \$        in gross wages) for an unspecified number of days from the date of OCB's determination to December 31, 1996;
- (3) Each department to reduce the amount of grants, purchases of service, or subsidies, or contracts awarded for the period ending June 30, 1996, by at least five per cent;
- (4) Each department to submit information to the OCB regarding the exempt positions and contracts with private individuals or companies or organizations; and
- (5) The OCB to submit a report to the Legislature prior to the convening of the 1996 session including information regarding exempt employees; all grants, purchases of service, subsidies, and contracts; the furlough program; and recommendations to administrative action in the event furloughs or other cutbacks are required in the future.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.B. No. 133, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 133, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, 1 (Liu). Excused, 4 (Bunda, Fernandes Salling, Fukunaga, Anderson).

**SCRep. 1341        Judiciary on H.B. No. 187**

The purpose of the bill, as received by your Committee, is to increase the sanctions for violations of Hawaii's motor carrier law and to make technical, nonsubstantive changes to the language of the section for the purposes of clarity and style.

Under present law, the fines, which were originally set in 1969, are \$100 for each offense, and, in the case of a continuing violation, up to \$50 a day for each day of the continuing violation. This bill increases the fine to \$1000 for each offense, and, in the case of a continuing violation, increases the penalty to not less than \$50 and not more than \$500 for each day the violation continues.

Testimony in support of the bill was received by your Committee from the Hawaii Transportation Association.

Upon further consideration, your Committee deleted the provision for the publication of the names of offenders in a newspaper of general circulation, which had been added to the original bill by the House of Representatives. Your Committee does not believe that public humiliation should be used as a disciplinary tool in regulatory proceedings.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 187, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form H.B. No. 187 H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1342        Judiciary on H.B. No. 313**

The purpose of this bill is to restrict the scope of plaintiffs who can bring a tort action against public accountants.

Specifically, this bill precludes tort actions from being brought against a public accountant for negligently audited financial statements, unless either the plaintiff was the issuer or requestor of the financial statement, or the accountant was aware and acknowledged in writing that the statement was to be made available to a specifically identified plaintiff whose intent it was to rely on that statement.

Additionally, this bill bars only actions based on simple negligence, including negligent misrepresentation, actions against state-licensed practitioners, and actions brought by private third parties, such as financial institutions. This bill does not prohibit governmental entities from bringing a civil action as a third party; it does not prohibit actions against unlicensed practitioners; and it does not prohibit actions for gross negligence or for intentional torts such as fraud.

Your Committee notes that this bill is identical to H.B. No. 740, H.D. 1, S.D. 2, C.D. 1, which was passed last year by the legislature by unanimous votes in both houses. The bill was nonetheless vetoed by the former governor in his June 22, 1994 Governor's Message No. 188. As grounds for his veto, the governor offered the detracting comment that "partial immunization from third party liability may reduce the reliability of the financial documents prepared by the public accountant and ultimately protect the public accountant at the consumer's expense". The comment is a ruse. Accountants who perform shoddy work for their clients can expect to lose them. Also, partial liability may actually increase reliability, since the spectre of unlimited liability produces stresses that cripple work performance and propagate a vicious cycle of higher insurance, greater stress, and worsened performance.

Your Committee finds that the present law is uncertain on the issue of an accountant's liability to third persons--those persons other than the accountant's client. The licensing statutes on public accountancy do not address matters of tort liability, or even of restitution. The Hawaii case law has never dealt specifically with this issue, although the general legal principles seem to be set in place from which an unfavorable ruling for accountants could someday be specifically and expressly recognized. It appears to your Committee that Hawaii case law is headed in the direction of Section 552 of

the Restatement (2nd) of Torts, in which a public accountant would be liable for negligence to a third party only if he or she intends to supply the information for the benefit of one or more third parties in a specific transaction or type of transaction identified to the accountant; in other words, an accountant's duty would run to the client and to any member of an intended and identifiable class of beneficiaries.

Your Committee finds that, in general, the Hawaii case law on torts clearly upholds the legal principle that a negligence action lies only when the defendant owes a duty to the plaintiff. What is not so clear is the answer to the more pressing legal issue triggered by that principle, which is, when does the defendant owe a duty to the plaintiff. With regard to accountants, the federal district court for Hawaii held in a 1983 case that the requirement that an accountant exercise that degree of skill and competence reasonably expected of persons in that profession is implied in a contract for professional services; liability follows for breach of contract if there is negligence. This holding suggests that the problem of determining who those persons are to whom an accountant owes a duty of care is to be resolved by contract interpretation. The particular doctrine of contract law that would seem to be invoked involves intended third party beneficiaries of contracts. Under the doctrine, according to the federal district court in 1980, the rights of a third party beneficiary arise when parties to a contract intend to have performance of the contract benefit some third person, group, or class. The third party's rights, according to a 1977 federal case for the Ninth Circuit, would be limited by the contract; the beneficiary cannot exercise rights that the parties did not intend it to have.

The tort question then of whether an accountant owes a duty of care to some third party metamorphosizes into the contract question of whether the third party was an intended beneficiary of the contract for services between the accountant and the client. The question of whether a third party is an intended beneficiary spins out still further questions of whether the audited financial statement is intended to serve as a benefit or something else to the third party, or whether the third party is merely an incidental beneficiary rather than an intended one. Even a holding that creditors and investors constitute the intended class does not resolve the legal issues, for it invites the further issue of defining the members of that class. Also, defining the class as such would render small comfort to accountants, for the numbers of that class may turn out to be countless, ever growing, and ever in need of legal interpretation. The web of legal issues to be spun out from an unqualified adoption of the Restatement approach would turn out to be nothing more than a basket of goods for the hungry litigator.

Your Committee firmly believes that as a matter of public policy, accountants are not an appropriate source for deep pocket recovery; they should not be subject to unlimited liability to third parties for their work product, in particular, the financial statements that they audit, review, certify, or examine for a client. Your Committee finds that the market reality is that the fees charged by accounting firms are not structured to reflect the potentially expansive liabilities to third parties. Unlike the manufacturer, whose revenues are directly related to the size of the transaction or the frequency of sales, the auditor's revenues are customarily based on the amount of time devoted to rendering a service; it does not reflect the size of the third party transaction at issue. Furthermore, your Committee finds that accounting firms are generally a secondary participant, not a primary one, in circumstances giving rise to losses to investors and creditors and other third parties, for accounting firms must rely substantially upon information generated and presented to them by their clients. The firms are often themselves victims of misinformation from the primary wrongdoer.

Your Committee fears that unless immediate preventive legislative action is taken, the local courts appear poised to someday resolve the duty issue to the detriment of accountants by adopting in whole the Restatement (2d) approach. Such judicial action would only aggravate the current climate of legal uncertainty, for it would open the floodgates of litigation even wider than they are now. The present uncertainty itself has already stimulated an increase in legal costs and malpractice insurance costs, forcing accounting firms to increase their billing rates and the smaller ones to refuse audit work or to "go bare", that is, ply their trade without being insured. Fees are increased due to increased insurance costs for those who perform audits and the reduced supply of firms performing audits. At present, of the two hundred eighty local firms enrolled in the American Institute of Certified Public Accountants' practice monitoring programs, fewer than eighty are engaged in auditing.

Your Committee believes that this bill adopts an enlightened and reformed version of the Restatement (2nd). The bill adopts the intended third party concept, but holds in check any possibility that the intended class of beneficiaries will run amuck in membership. The great beauty of this bill is that the rule it proposes is clear and easy to administer. No third party is an intended one unless the accountant knew and acknowledged in writing that the party intended to rely on the accountant's work product.

Allowing the accountant to understand and control the extent of exposure will benefit the accountant, clients, potential clients, and ultimately the public. If an accountant were to subsequently discover that the information relied upon to perform an audit was inaccurate, then the accountant's refusal to give written acknowledgment to a third party's reliance will effectively save that third party from incurring significant losses, and really, it will enhance the role of the certified public accountant as a public watchdog. Also, arguments that this bill would render financial statements unreliable simply run counter to common sense: poor workmanship leads to poor reputations, an outcome not desired by any professional.

Also, a reduction in the risks of liability will also cause a number of positive economic phenomena to occur: insurance costs will decrease, causing audit fees to decrease; more accounting firms will enter the market to supply audit services, again causing audit fees to decrease. In other words, audit services will become more accessible to users, particularly to those businesses that are most in need of them--the small and start-up ventures.

Finally, while your Committee cannot anticipate all the legal detours that may be attempted to circumvent the law created in this bill, your Committee notes that the statutory abolition of joint and several liability is scheduled for repeal on October 1, 1995. It is the express intent of your Committee that if a third party cannot bring an action against a public accountant under the requirements of this bill, then that third party cannot recover from the public accountant through the theories of joint and several liability either; it would be impossible for the accountant to be deemed a joint tortfeasor.

Your Committee has amended this bill by specifying that the limitation of liability established by this measure shall be inapplicable unless the public accountant furnishes a copy of this measure to the client, the issuer of the financial audit who requested the audit of the accountant. Your Committee believes that the originality of this measure in contrast to existing law in this and other states requires adequate notice to be given to the client. The client should be given to understand the principle of limited liability created under this measure in order use those audits in a judicious manner.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 313, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 313, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1343      Judiciary on H.B. No. 819**

The purpose of the bill, as originally received by your Committee, is to subject persons who place graffiti on state or personal property to civil fines, to impute violations to parents or guardians of minors and to impose joint and several liability for the fines imposed.

Your Committee finds that there has been an increase in graffiti damage to both public and private property by juveniles, and that stronger measures need to be in place to address the defacement and destruction of property and to deter such future conduct.

Testimony in support of the bill with suggested amendments was received by your Committee from Councilmember Donna Kim, the Honolulu police department and Neighborhood Board 18.

Your Committee believes that the counties should be able to impose civil fines on persons who deface property owned, managed, or maintained by the counties, and that these stronger civil measures are needed as criminal sanctions have not proven effective in this area.

Your Committee has amended the bill by authorizing the counties to impose civil fines on persons who place graffiti on any real or personal property owned, managed, or maintained by the counties. Your Committee has further amended the bill by substituting the language in S.B. No. 160, but deleting the provision for a sunset date on the counties' authority to impose civil fines.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 819, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 819, H.D. 1, S.D. 1, and be placed on the calendar for third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1344      (Joint) Judiciary and Ways and Means on H.B. No. 2094**

The purpose of this bill is to reform the State's campaign spending laws.

Among other things, this bill:

- (1) Prohibits campaign spending commissioners from taking an active part in campaigns including making financial contributions;
- (2) Requires contractors who receive \$150,000 or more in government contracts in any calendar year to file a report with the commission;
- (3) Deems any loans to a candidate or candidate committee to be a contribution except loans by a financial institution;
- (4) Requires organizational reports by a noncandidate committee to contain specific information;
- (5) Adds new definitions to the campaign spending law, including: "commissioner", "election period", and "noncandidate committee", special election, terminate candidacy;
- (6) Removes political party requirement for appointees to campaign spending commission;
- (7) Authorizes the commission to do random audits, field investigations, to file for injunctive relief, and to censure any candidate for failure to comply with the code of fair campaign practices;
- (8) Allows a candidate to appoint a person other than an officer to specifically prepare and file reports with the commission;
- (9) Allows the commission to investigate complaints and determine whether to dismiss, further investigate, make a preliminary determination, or refer the complaint to a prosecuting authority and make a request for a contested hearing;
- (10) Allows the commission to order a variety of administrative penalties upon a final determination of violation;

- (11) Changes the amounts of public funding available to candidates to a percentage instead of a dollar amount;
- (12) Specifies that a knowing, intentional, or reckless violation of the campaign spending law constitutes a class C felony;
- (13) Clarifies that the Hawaii election campaign fund is a trust fund.
- (14) Repeals this Act on June 30, 2003.

Your Committees received testimony from: the campaign spending commission, attorney general, League of Women Voters of Honolulu, Common Cause Hawaii, and the Democratic Party of Hawaii.

Your Committees find that reforming the campaign spending law is important to restoring the public's confidence in the political process. Making candidates, contributors, and others more accountable by requiring the filing of reports upon the triggering of specific events and specifying what information must appear in these reports go a long way to accomplishing these goals.

Your Committees have amended this bill by using language from S.B. 1951, S.D. 1, for the following parts:

- (1) Political activities of commissioners;
- (2) Campaign contributions by state contractors;
- (3) Loans as campaign contributions;
- (4) Definition of "candidate", "election period", "matching payment period";
- (5) Fundraiser and fundraising activities;
- (6) Limits as to campaign contributions by persons;
- (7) Limits as to campaign contributions by political parties;
- (8) Voluntary campaign expenditure limits;
- (9) Final and supplemental reports;
- (10) Investigation of complaints;
- (11) Eligible amount of public funds for a candidate;
- (12) Return of public funds when expenditure limits exceeded; and
- (13) Criminal prosecution.

In general, your Committees' amendments have changed the language, but not the intent or meaning of much of this bill. The resulting amendments have changed this bill in the following substantive areas:

- (1) Added a new section relating to voluntary campaign expenditure limitation by allowing the candidate to withdraw the limitation affidavit no later than thirty days prior to an election;
- (2) Specifies among the commission's duties, the employment of a full-time executive director;
- (3) Eliminates the provision that a percentage of the annual receipts of the Hawaii election campaign fund be appropriated to the commission for administrative costs;
- (4) Entitles a candidate eligible to receive public funds to receive it in fifty per cent increments instead of twenty-five per cent initially, and subsequent amounts after an audit; and
- (5) Requires a candidate who exceeds public funding restrictions by no more than one per cent to return twenty-five per cent of the fund;

Your Committees have also amended the effective date section to make only the attachment of the commission to the lieutenant governor's office, rather than the entire Act, temporary until June 30, 2003 and made some technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2094, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2094, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 14. Noes, none. Excused, 4 (Bunda, Fernandes Salling, Solomon, Anderson).

The purpose of this bill, as received by your Committee, is to provide legal counsel to current and former county officers and employees, excluding police officers, firefighters, and liquor inspectors, who are prosecuted or sued as a result of the performance of their duties.

The bill provides a current or former county officer or employee who is being criminally prosecuted for acts committed in the performance of their stated duties with representation by an attorney employed and paid for by the county. In cases where the current or former officer or employee is sued in a civil action for acts committed in the performance of the officer's or employee's stated duties, the officer or employee shall be entitled to representation from the county attorney or corporation counsel, as the case may be, of the county, or if permitted under the appropriate county charter, by an outside attorney to be employed by the officer or employee and paid for by the county.

Testimony was received by your Committee from the board of waste water management and the department of public works who informed the Committee of the stress the employees feel for being subject to prosecution for performing their duties.

Your Committee has amended the bill to provide that legal representation will not be provided to county officers and employees if there is a determination made by the corporation counsel or county attorney that a wilful and intentional act or omission has been committed.

As affirmed by the record of votes of the members of your Committee on Judiciary, that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2333, 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. 2333, H.D. 1, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Anderson).

#### **SCRep. 1346      Ways and Means on H.B. No. 298**

The purpose of this bill is to permit chartered student organizations of the University of Hawaii system that are specifically organized to provide student publications or broadcast services to employ attorneys to provide legal advice or defend the organization from lawsuits.

Your Committee finds that, in the execution of their duties, chartered student organizations that provide print or broadcast services require timely and routine legal checks to avoid problems concerning laws governing libel, Federal Communications Commission regulations, obscenity, and slander. These organizations also need legal defense in actions brought against them due to the provision of these services.

Your Committee finds that this bill is crafted to provide the necessary protection while providing safeguards from abuse. The expenditure for an attorney must be in accordance with policies adopted by the board of regents, and that no public funds shall be used to initiate legal action against a state agency, or pay for damages arising from any act or omission of the organization.

Your Committee has amended this bill by:

- (1) Clarifying that the attorneys may only be used for the two functions of providing legal advice to avoid a lawsuit and defending against litigation;
- (2) Requiring the expenditures to be approved by the board of regents; and
- (3) Replacing the language providing that no public funds shall be used to initiate legal action against a state agency with language that no funds shall be used to defend the organization for any wrongful or malicious act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, 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. 298, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 1347      Ways and Means on H.B. No. 1409**

The purpose of this bill is to transfer the income and capital gains from the State of Hawaii endowment fund on a quarterly basis to the state foundation on culture and the arts to pay for musicians' salaries in an Oahu-based symphony orchestra as determined by the state foundation on culture and the arts (SFCA).

Your Committee agrees with the intent of this bill to provide for the payment of salaries of musicians belonging to an Oahu-based symphony orchestra. Hawaii's symphonic musicians are vital to the existence of a world-class symphony orchestra and serve the State as a valuable cultural and educational resource. Your Committee finds that this bill is necessary to ensure the continuation of the highest quality symphonic music to Hawaii's audiences.

Although your Committee finds this bill to be necessary to ensure the payment of musicians' salaries, your Committee questions whether this bill may exceed the scope of the Honolulu symphony trust referred to in section 40-88, Hawaii Revised Statutes, in the event that the SFCA determines that the income and capital gains from the endowment fund are to be used to pay musicians' salaries belonging to a symphony orchestra other than the Honolulu symphony. Your Committee therefore recommends that this issue be reviewed prior to passage on Final Reading.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1409, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1348      Ways and Means on H.B. No. 2137**

The purpose of this bill is to establish the Waikiki aquarium as the state aquarium under the ownership and direction of the University of Hawaii.

Additionally, this bill allows the University of Hawaii to contract with a private nonprofit entity to manage the aquarium, but requires that all positions at the aquarium held by general funded full-time state employees remain general funded full-time state positions, even when supervision over them is transferred to the nonprofit corporation pursuant to its management arrangement with the University of Hawaii, unless altered through collective bargaining.

Your Committee finds that this bill is similar to S.B. No. 1920, S.D. 2, which was earlier recommended for passage by your Committee. This bill differs in that research is added as a purpose of the aquarium, charges from public agencies and private persons is repealed and tuition deleted as sources of revenue for the special fund, the board of regent's present authority to charge admission fees is saved from repeal, except the fee waivers for children and senior citizens, and state employees at the aquarium are retained there as state employees rather than offered transfers to state positions elsewhere within the University of Hawaii.

Your Committee believes that these changes are necessary to further effect an orderly transformation of the aquarium into the state aquarium, for the reasons given earlier for S.B. No. 1920, S.D. 2, in Standing Committee Report No. 807, dated March 3, 1995. Specifically, the upcoming expiration of the aquarium's present staffing agreement with the research corporation of the University of Hawaii compels the aquarium to develop an alternate means to manage itself and continue its operations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2137, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1349      Ways and Means on H.B. No. 566**

The purpose of this bill is to appropriate funds and develop strategies to assist the former employees of Waialua Sugar Company and Kau Agribusiness in meeting their housing needs.

Your Committee finds that many former employees of Waialua Sugar Company and Kau Agribusiness live in plantation homes owned by their employers. Many displaced employees are understandably concerned that this housing will no longer be available following the closure of these operations. Your Committee finds that many former employees may be required to find replacement housing at a time when rents are high and affordable housing is scarce.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 566, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1350      Ways and Means on H.B. No. 1988**

The purpose of this bill is to make various amendments and technical changes to the homeless assistance law to clarify various provisions and improve the State's capacity to administer the program.

Your Committee finds that the legislature passed the homeless assistance law in 1993 to respond to the expanding problem of homelessness in the State. In passing the law, the legislature recognized the growing number of families and individuals who were unable to find affordable units to rent. To address the problem, the law calls for the establishment of services, facilities, and other programs to address the needs of homeless individuals and families.

Clarifying the powers and duties of the agencies involved in the implementation of the law will enhance the State's ability to achieve the stated objectives of the law. This bill amends the law by:

- (1) Clarifying that the selection of provider agencies to administer homeless facilities or other programs for the homeless is not subject to the public procurement law;
- (2) Clarifying that the time limits imposed on provider agencies with respect to their delivery of services commences when the client is qualified as eligible;
- (3) Clarifying the auditing requirements of the Hawaii housing authority and authorizing the authority to establish standards and criteria for eligibility, need, and priority for homeless programs; and

- (4) Clarifying that the method of paying homeless shelter stipends will be linked to the physical unit rather than the number of persons residing in the unit.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1988, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Bunda).

**SCRep. 1351      Ways and Means on H.B. No. 111**

The purpose of this bill is to clarify the law regulating lobbyists.

More specifically, this bill:

- (1) Moves all provisions regulating lobbyists from the ethics law into chapter 97, Hawaii Revised Statutes (relating to lobbyists);
- (2) Redefines "lobbyist" based on number of occasions of lobbying instead of minimum number of hours per month and includes in "lobbying" an attempt to influence a ballot issue, not only legislative or administrative actions;
- (3) Adds a third report of lobbying expenditures to the current two required, each covering different periods during a year;
- (4) Raises registration and reporting thresholds to \$750;
- (5) Authorizes the ethics commission to investigate on its own initiative (but confidentially) rather than wait to receive a verified complaint;
- (6) Clarifies the ethics commission's powers and duties to include authority to prescribe forms and establish procedures, render advisory opinions, issue subpoenas, and make rules; and
- (7) Authorizes an administrative fine of \$1,000 to be assessed by the ethics commission in a contested case hearing.

Your Committee finds that these provisions will strengthen the authority of the ethics commission and restore the public's confidence in government with respect to lobbying and lobbyists. Your Committee finds that this bill will allow lobbyists to continue to do their best for their clients, while keeping some controls over the issues that occasionally raise the cloud of perceptions of "undue influence". In this way, a balance over public concern and legitimate lobbying efforts can be achieved.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 111, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1352      Ways and Means on H.B. No. 929**

The purpose of this bill is to transfer the Hawaii state commission on the status of women from the department of human services to the office of the lieutenant governor and to reduce the membership of the commission to a more workable number.

This bill also amends the title of the primary staff person to executive director to conform the title to the salary scale currently in effect.

Your Committee finds that the commission on the status of women was created for the special purpose of developing long-range goals and coordinating research, planning, programming, and action on the opportunities, needs, problems, and contributions of women across the State. As a statewide agency, the commission serves a unique function as an independent, community-based advocate for women and girls. It also plays an important role in the development of legislative policy on issues of great concern to the women of our State and serves as a statewide clearinghouse for information and a coordinator of activities about women and women's issues.

Your Committee finds that the commission's unique role and special purpose cut across the functional boundaries of the existing principal departments. Moreover, your Committee notes that the special purpose of the commission is confirmed by its broad responsibilities and interdepartmental nature, which are recognized in its present statutory makeup of representatives from a number of other state departments and agencies.

Furthermore, your Committee acknowledges that the commission on the status of women has substantially different duties and responsibilities from the department of human services, to which it has been attached only for administrative purposes. Your Committee recognizes that the department of human services is burdened with providing and expanding services required by its legislative mandate, while faced with shrinking resources. As it struggles to provide financial, medical, social, and rehabilitative services and shelter, in the most effective and efficient manner possible, to Hawaii's most needy citizens, the department is understandably not in a position to give the commission high priority.

Accordingly, your Committee finds that it is most appropriate to transfer the commission on the status of women to the office of the lieutenant governor. Moreover, your Committee notes that the department of human services concurs with this move.

Your Committee has amended this bill to delete sections 9 and 10 relating to an appropriation and to renumber the remaining sections of the bill consecutively. Your Committee has taken this action because funding for the commission will be provided through the 1995-1997 biennial budget. Your Committee also made technical changes to reflect the correct existing statutory language and made technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 929, 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. 929, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1353 (Majority) Ways and Means on H.B. No. 1833**

The purpose of this bill is to increase the filing fee for a change of name from \$10 to \$20.

Your Committee has amended this bill by changing the fee to \$50. Your Committee finds that an increase to \$50 is more in line with the present cost of processing a name change and is justified to enable the State to recoup some of its expenses. Given the overall costs to an applicant including publication in a newspaper classified section, the services of an attorney, a notary, and so on, this increase is not unreasonable.

Your Committee also finds that changing the fee to \$50 conforms this bill to its Senate counterpart, S.B. No. 1622, S.D. 1, which your Committee recommended for passage on Third Reading on March 3, 1995.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1833, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 10. Noes, 1 (Liu). Excused, none.

**SCRep. 1354 Ways and Means on H.B. No. 1853**

The purpose of this bill is to authorize the Hawaii criminal justice data center and other state and county criminal justice agencies acting on the center's behalf to charge fees for services related to criminal history record information.

In addition, this bill provides that the fees charged by the center and other criminal justice agencies are to be deposited into a newly established criminal history record improvement revolving fund. Moneys in the fund are to be expended by the center to improve the criminal history record information system. The bill also exempts from the requirement to pay fees, criminal history record checks mandated for child care facilities and non-profit charitable organizations that are tax exempt under the Internal Revenue Code with respect to criminal history record checks conducted on adult volunteers having direct contact with minors.

Your Committee finds that charging fees for services related to criminal history record information, which is authorized in thirty-nine other states, will allow the Hawaii criminal justice data center to recoup a portion of the costs associated with providing this information and improve the criminal history record information system, including the delivery of timely, accurate, and complete information by the center. Your Committee finds that this bill, which also allows the center to adopt rules to establish additional exemptions from the requirement to pay fees, will greatly assist in meeting the increased demand for this information in recent years while allowing the center to waive fees in appropriate cases.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1853, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1355 Ways and Means on H.B. No. 1857**

The purpose of this bill is to improve the services of the child support enforcement agency (CSEA) through a variety of mechanisms, including the hiring of an assistant administrator to serve as controller and a staff attorney to supervise the administrative process, and the expansion of the CSEA's present ability to report delinquent obligors to consumer reporting agencies.

Your Committee finds that failure to receive court-ordered support payments has a negative impact on the health and welfare of children throughout this State. The CSEA's role is to assist custodial parents in receiving appropriate support. The CSEA has been the focus of criticism over the past five years, and though it has endeavored to improve its provision of services, thousands of parents are still failing to fulfill their legal obligations.

This bill will help the CSEA serve its mission by removing the \$1,000 minimum requirement before the delinquency can be reported to a consumer reporting agency. Enabling the agency to provide information on the current status of the

obligor's account, whether delinquent or not, will provide an incentive for the obligor parent to remain current. The bill also permits the CSEA to require payment by the consumer reporting agencies of a reasonable fee upon request for information on the account status of an obligor, thus recovering the cost of providing the information. In addition, the bill clarifies the recording process to attach a lien to real property based on a child support order.

Your Committee finds that the fiscal responsibilities of the CSEA are considerable, with the agency handling approximately \$68,000,000 per year in child support receipts and disbursements. Accountability for and failure to promptly disburse these funds are serious concerns of the custodial parents. The addition of an assistant administrator to act as a controller to ensure that internal controls are maintained over the various cycles affecting the funds of the agency, and a staff attorney to manage and supervise the administrative process, cases, and personnel, will provide accountability and fiscal control as well as assist in the timely functioning of the agency.

Your Committee has made a technical, nonsubstantive amendment by removing the deletion of the word "agency" on page 6, line 20 to ensure that the proviso would have a noun.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1857, 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. 1857, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1356      Ways and Means on H.B. No. 2022**

The purpose of this bill is to authorize the court to order restitution be paid to the criminal injuries compensation commission if the victim of a crime has been granted a compensation award by the commission.

Awards for compensation by the criminal injuries compensation commission, by statute, cover expenses, loss of earning power, pecuniary loss, and pain and suffering. These statutory awards are similar to common law restitution, and, as such, are designed to restore a person to the status quo, the position occupied prior to a wrong.

Your Committee finds that under current law ambiguity exists whether the court has authority to order that restitution be paid directly to the criminal injuries compensation commission. This bill would resolve this ambiguity by making such authority clear. It also would provide some additional revenues for the criminal injuries compensation commission, allowing it to compensate victims promptly for their losses. Your Committee further finds that it is appropriate and fiscally responsible to require convicted criminals to reimburse the criminal injuries compensation commission when a victim has been given an award by the commission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1357      Ways and Means on H.B. No. 2023**

The purpose of this bill is to redefine the beneficiaries and the compensation awards given by the criminal injuries compensation commission and to amend commission procedures.

More specifically, this bill redefines "relatives" to include step sibling and stepchild relations and broadens the allowance of compensation for certain expenses to any "relative" of the deceased victim incurring the expense. This bill also eliminates from awards compensation for pain and suffering, loss of earning power, and miscellaneous pecuniary losses.

Additionally, this bill requires the commission to assign certain cases to the administrator for determination of eligibility and any order of compensation and clarifies that no case can be appealed to the commission until the administrator has made a ruling in the matter.

Your Committee finds that this bill will allow the criminal injuries compensation commission, which has been forced to deny similar claims in the past, to award just compensation to certain family members who have paid a deceased victim's medical and funeral expenses.

Furthermore, your Committee believes that the changes in this bill will provide for more efficient administration of claims for compensation and will objectify the basis for the granting of compensation awards, thus making compensation awards more definite, calculable, and consistent.

Your Committee has amended the bill by reinstating compensation for lost earnings and pain and suffering. The criminal injuries compensation commission has indicated that one of their major funding sources is a federal grant from the Department of Justice's Office of Victims of Crime that requires compensation to be offered for loss of wages attributable to a physical injury. Historically, the commission exhausts its state funding before the end of its fiscal year, and relies on the federal grant to bridge the gap between appropriations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, S.D. 1, as amended herein, and recommends that it pass Third Reading as H.B. No. 2023, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1358      Ways and Means on H.B. No. 2024**

The purpose of this bill is to authorize the department of public safety to hire exempt employees for its correctional industries program, and to require the department to submit an annual report to the legislature detailing information on positions established under the program.

Your Committee finds that the correctional industries program has expanded at a tremendous rate over the past three years. The program, which is operated by the department of public safety, is a self-funding business operation in which offenders under the jurisdiction of the department manufacture products and provide services to government agencies. Staffing requirements are different than most civil service positions and, as in most businesses, must be filled promptly as needed to ensure the necessary technical expertise and the safety of the department.

Your Committee finds that the correctional industries program is of great value to the State in that it does not cost the State any money, replaces other costly programs, and returns over \$6,000,000 back into the local economy. The program also benefits inmates by preparing them to eventually return to the community, and saves taxpayers money. Your Committee finds that this bill is necessary to the program's continuing success; without passage of this bill, your Committee finds that the program will not have the staff necessary to supervise inmates and to continue its successful operations.

Upon further consideration, your Committee has amended this bill to change the effective date to July 1, 1995, and by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2024, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2024, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1359      Ways and Means on H.B. No. 2031**

The purpose of this bill is to clarify the eminent domain law that allows the director of taxation or the county finance director to intervene in eminent domain proceedings to collect any delinquent taxes.

The current eminent domain law only provides for the director to intervene to collect real property taxes. This bill clarifies that the state director of taxation may intervene for any delinquent taxes due under title 14, Hawaii Revised Statutes, as well as the county directors of finance for delinquent real property taxes.

This bill also authorizes the use of a real property tax appeal valuation as evidence of fair market value in an eminent domain proceeding. But, the use of the appeal valuation is limited. It is prohibited for use as evidence if the eminent domain proceeding is against the fee owner who was not the taxpayer who appealed the assessment. Limiting the evidentiary use of a tax appeal valuation by a taxpayer who is a lessee or who has a contractual obligation to pay the real property tax appeal or assessment, protects the fee simple owner because they are not bound by the taxpayer's appeal assessments.

This bill is identical to S.B. No. 1569, S.D. 1, which your Committee recommended for passage on Third Reading in Senate Standing Committee Report No. 764, dated March 3, 1995. Your Committee finds that this measure will ensure that all state taxes due will be collected during the eminent domain proceedings and that the use of tax appeal assessment valuations will be helpful evidence in arriving at a fair market value for real property that is the subject of the condemnation action.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2031, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1360      Ways and Means on H.B. No. 2038**

The purpose of this bill is to consolidate and strengthen the criminal tax penalties imposed under title 14 of the Hawaii Revised Statutes.

This bill also adds two new sections to the tax administration law. One provides for an eight year statute of limitations from the commencement of the crime. The second new section requires the interpretation of the consolidated penalty sections to be construed in accordance with judicial interpretations of the Internal Revenue Code.

The criminal tax penalties have been consolidated by repealing the individual provisions throughout title 14 and setting out criminal tax penalties in the tax administration law, chapter 231, Hawaii Revised Statutes. The increase in penalties correlates to federal standards for the prosecution of tax offenses. Specifically, this bill establishes a misdemeanor for wilful failure to file a return with a \$25,000 fine for an individual and \$100,000 for a corporation. Felonies are established for wilfully making a false statement, and tax evasion, with a \$100,000 or \$500,000 fine for individuals and

corporations respectively. The penalties for failure to file, making a false statement and tax evasion also allow for imprisonment for up to one, three or five years, or both a fine and prison. Your Committee finds that increasing the criminal tax penalties has deterrence value and will encourage tax compliance.

Your Committee has amended this bill by repealing the word "penalties" from the titles of sections where those provisions have been repealed and by making a few other technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2038, 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. 2038, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1361      Ways and Means on H.B. No. 821**

The purpose of this bill is to enact various tourism-related initiatives.

Specifically, this bill:

- (1) Transfers the international tourism consulting center and clearinghouse from the office of international relations to the department of business, economic development, and tourism;
- (2) Establishes the convention center neighborhood advisory committee and requires the convention center authority to consult with and solicit advice, comments, and recommendations from the convention center neighborhood advisory committee;
- (3) Specifies that the sums appropriated by Act 7, Special Session Laws of Hawaii 1993, for planning, designing, improving, acquiring, constructing, equipping, and furnishing a convention center facility, shall not lapse until June 30, 1996; and
- (4) Appropriates an unspecified sum to the department of land and natural resources for plans and designs for dredging the Ala Wai canal, installing a flushing system, and preparing an environmental impact statement.

Your Committee has amended this bill by:

- (1) Deleting all of the foregoing provisions except those relating to the sums appropriated by Act 7, Special Session Laws of Hawaii 1993;
- (2) Establishing the tourism promotion special fund and exempting the special fund from assessments for central service expenses and departmental administrative expenses;
- (3) Increasing the transient accommodations tax from six per cent to eight per cent;
- (4) Changing the proportion of transient accommodations tax revenues to be deposited into the convention center capital and operations special fund from one-sixth to one-eighth;
- (5) Requiring two-eighths of the transient accommodations tax revenues to be deposited into the tourism promotion special fund and appropriated by the legislature to the department of business, economic development, and tourism to carry out tourism-related programs; and
- (6) Making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 821, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 821, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Solomon, Tanaka, Liu).

**SCRep. 1362      Ways and Means on H.B. No. 1257**

The purpose of this bill is to give the board of regents of the University of Hawaii authority to establish mechanisms by which the university can initiate an integrated plan for developing university programs and generating income.

Specifically, this bill: requires the board of regents to adopt benchmarks to guide the course of the university's future; establishes a student tuition and fees special fund into which all tuition and similar charges shall be deposited; requires the board of regents to set tuition levels at not more than that of the national average for public institutions in order that not more than seventy-five per cent of the university's operating budget should be supported by state general funds, with rates for nonresident students supporting one hundred per cent of their educational costs and rates for resident students supporting twenty-five per cent of their educational costs; repeals statutorily created tuition waivers and gives the board of regents exclusive authority to grant them; and requires the university to conduct annual program reviews, for submission to the legislature, to determine whether the programs serve their original purposes.

Your Committee acknowledges that over the past decade the legislature has provided the University of Hawaii with increasing administrative and budget flexibility. This measure is no exception to the state policy of increasing the

university's fiscal autonomy. Your Committee also acknowledges that a proper balance needs to be struck between this policy and the equally important one of ensuring equal educational opportunity to financially needy students. Your Committee has amended the bill to accommodate various component issues and concerns in order to perfect the mechanisms by which the university generates its own income and to strike a workable balance between the two policies, for immediate implementation.

Your Committee has amended this bill by: amending benchmark requirements; adding that specified amounts of non-need based tuition waivers shall be suspended during fiscal biennium 1995-1997; modifying the board of regents' powers to set tuition levels by requiring the board to set tuition levels at not more than thirty per cent of the estimated average cost of education at each university campus, with an exception for apprenticeship programs at the community colleges; adding a formula for the legislature to use in determining the funding amounts to be appropriated to the university through the budget acts; repealing present requirements that nontuition fees for resident and nonresident students be the same and requiring the board of regents to assess specified nonresident fees at the various campuses; deleting the requirements of annual program reviews; adding that deposits of tuition into the Hawaii opportunity program in education (HOPE) special fund shall be suspended during fiscal biennium 1995-1997; deleting sections of the bill that would repeal the various tuition waivers now in effect; adding that specified sums from three designated funds shall be transferred to the student tuition and fees special fund; changing the effective date of the entire Act to July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1257, 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. 1257, H.D. 2, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Fernandes Salling, Solomon, Tanaka).

**SCRep. 1363 (Joint) Judiciary, Hawaiian Affairs and Ways and Means on H.B. No. 1828**

The purpose of this bill, as received by your Committees, is to remedy all remaining land claims against the State for and in settlement of the inappropriate or improper uses, dispositions, or exchanges of Hawaiian home lands, and authorize the establishment of a funding source for the department of Hawaiian home lands (DHHL) known as the Hawaiian home lands settlement trust fund.

In order to obtain the funds for a settlement payment, this bill provides for a one per cent general excise and use tax surcharge to be in effect for the period January 1, 1996, to December 31, 1996. The proceeds of the tax increase, in the amount of \$320,000,000 would be used to fund the settlement of Hawaiian home lands claims against the State.

Your Committees, at the outset, wish to remind the federal government of its co-trustee responsibilities to native Hawaiians under the terms of the Hawaiian Homes Commission Act of 1920, as amended. That Act recognized certain trust responsibilities by the federal government towards certain beneficiaries, defined in the Act as "native Hawaiians". Under the Act, over two hundred thousand acres of land in Hawaii were designated as "Hawaiian home lands", which were located on most of the islands, and established the Hawaiian homes commission to manage the Hawaiian home lands. The commission's powers with respect to management and alienation of the Hawaiian home lands were closely prescribed in order to assure that the lands were preserved and used for the benefit of native Hawaiians. In 1959, under the Admission Act, the federal government transferred complete responsibility for the Hawaiian Homes Commission Act and the Hawaiian home lands to the new State. The State, in turn, created the DHHL, which assumed the responsibilities of the commission and proceeded to administer the Act. Your Committees note that this bill is not intended to replace or affect the claims of native Hawaiians or Hawaiians with regard to reparations from the federal government.

Your Committees agree with the intent of this bill, which essentially implements the general understandings outlined in the Memorandum of Understanding dated December 1, 1994, which was signed by DHHL, the department of land and natural resources, the office of the attorney general, the office of state planning, and the independent representative of the beneficiaries of the Hawaiian home lands trust.

Your Committees find, however, that the Memorandum of Understanding provided for an annual payment of \$30,000,000 for twenty years for a total payment in the amount of \$600,000,000, rather than a tax increase. While your Committees acknowledge the worthy purpose behind the proposed general excise tax increase in raising these funds, your Committees believe that the approach taken in the Memorandum of Understanding, which would spread the payments out over a twenty-year period, is the better approach for the following reasons.

First, your Committees find that imposing the entire burden of raising these funds on a single generation of taxpayers is unconscionable. The imposition of a general excise and use tax surcharge places the entire burden for funding the settlement on one group of taxpayers, namely, those that pay in 1996. The debt owed to DHHL, however, did not accrue overnight, but is rather an intergenerational obligation accruing for over seventy years. Funding the settlement over a twenty-year period will spread the burden over time, so that different generations will pay for the settlement. For this reason, bond funding, rather than cash, is used to fund schools and other public improvements that have useful lives beyond the present generation. In a similar situation, bonds were issued for the Office of Hawaiian Affairs settlement in June, 1993.

Second, while the total cash outlay will be less with a one-time cash payment because no debt service cost will be incurred, this ignores the intergenerational nature of the debt and practical public finance policy. The same rationale for this proposed "special, one-time" tax assessment can be used to justify similar tax levies to fund the convention center and other large capital improvement projects. The total debt service cost for the convention center is \$605,000,000 versus a one-time cash payment of \$350,000,000.

Additionally, the seemingly high total debt service cost does not take into consideration the discounted present value of future debt service payments based on an interest rate of 6.5 per cent (the administration's budgeted rate of interest for

general obligation bonds). The estimated debt service (at 6.5 per cent interest) for the administration plan totals \$1,049,000,000 over a forty-year period versus the estimated value of \$320,000,000 for the one-time cash payment. However, the discounted present value of the stream of debt service payments (discounted at 6.5 per cent) is approximately \$350,000,000, which is only a little larger than the payment of \$320,000,000.

It has also been argued that the bond funding plan will not leave enough general obligation funds to cover requirements for schools and hospitals. However, the administration's plan sets aside \$90,000,000 a year specifically for schools and another \$80,000,000 a year for their capital projects. This level of funding should be sufficient to fund the State's basic capital needs.

Moreover, the proposed general excise and use tax increase could have severe adverse effects on Hawaii's economy. The tax increase will probably stifle Hawaii's economic recovery as well as aggravate the State's poor employment situation. Additionally, it will affect smaller businesses more because these businesses are less able than larger businesses to avoid the general excise tax through the use of in-house services and purchases.

The increase in the general excise tax rate will increase the cost of living and doing business in Hawaii for all of its people. Such a tax increase could not come at a more inopportune time with the State's economy in a state of stagnation, increased unemployment, and the State in a financial crisis.

Your Committees request that the United States Congress ratify the amendments made to the Hawaiian Homes Commission Act in an expeditious manner; if Congress fails to ratify these amendments in a manner that effectuates the conveyance and conditions of the Act, your Committees recommend that the acreage conveyed by the State to DHHL revert to the State.

In these times of tenuous economic conditions, your Committees emphasize that not only will consumers be hurt by the imposition of the surcharge, the increased rate will adversely affect businesses, especially those which cannot pass the tax along to the consumer. For many businesses in Hawaii which operate on a narrow profit margin, such an increase could mean going out of business. The closing of businesses in the State may send a signal that Hawaii is not a State with a favorable economic climate to conduct business. If businesses pull out of the State, there is no doubt that jobs will be lost. The closing and relocation of businesses and taxpayers out-of-state would inevitably result in reduced tax collections, which may result in an extension of the one per cent surcharge.

Upon further consideration, your Committees have therefore amended this bill by:

- (1) Deleting the one per cent general excise and use tax surcharge and related tax provisions;
- (2) Specifying that an annual deposit is to be made to the Hawaiian home lands settlement trust fund of \$30,000,000 for a period not exceeding twenty years, or the equivalent of those deposits as established by the legislature; provided that in lieu of these sums, the State may substitute land or other consideration having equivalent fair market value of the deposit, and the State may prepay sums due without penalty, and the total amount to be deposited into the trust fund is to be adjusted by the prepayment at an unspecified yearly discounted value;
- (3) Authorizing and appropriating \$30,000,000 in general obligation bonds for each of fiscal years 1995-1996 and 1996-1997;
- (4) Specifying that the purposes of the bill are to resolve all controversies relating to the Hawaiian home lands trust arising between August 21, 1959 and July 1, 1988; prohibit all future claims against the State resulting out of any controversy relating to that trust which arose between those dates; and ensure that future claims regarding the administration of that trust that are brought under chapters 673 and 674, HRS, are resolved fairly, completely, and in a timely manner, in addition to appropriating funds and establishing the Hawaiian home lands settlement trust fund;
- (5) Deleting the indemnification and hold harmless provisions contained in section 17 of the bill;
- (6) Amending section 673-10, HRS (limitation on actions; native Hawaiians), by reducing the statute of limitations for commencing actions under chapter 673 (the native Hawaiian trusts judicial relief act) from two years to one year after the cause of action first accrues;
- (7) Amending section 674-17, HRS (right to sue, individual claims), by changing the initial filing date for filing claims by individual native Hawaiians for judicial relief under chapter 674 from October 1, 1997 to October 1, 1996;
- (8) Amending 674-19, HRS (limitation on actions), by changing the final date for filing claims by individual native Hawaiians for judicial relief under chapter 674 from September 30, 1999 to September 30, 1997;
- (9) Adding a new section 19 of the bill providing that the 16,518 acres of land conveyed by the State to DHHL for the purpose of replenishing the trust corpus is to be treated by DHHL in the same manner as those lands originally established in the trust and subject to all the conditions thereon; and
- (10) Making technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Judiciary, Hawaiian Affairs, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1828, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1828, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Kawamoto, Levin, Matsunaga).

**SCRep. 1364 (Joint) Transportation and Government Affairs and Judiciary on S.R. No. 228**

The purpose of this Resolution is to request that the Legislative Reference Bureau:

- (1) Conduct a feasibility study on transferring the Traffic Violations Bureaus to the various counties;
- (2) Resolve associated issues involved in establishing a traffic violations bureau in each county; and
- (3) Report its findings, together with any proposed legislation, to the Legislature twenty days prior to the convening of the 1996 regular session.

Favorable testimony was submitted by the City and County of Honolulu. Your Committees are aware of the great interest in this issue. Traffic violations are currently enforced by each county but all fines and forfeitures are deposited into the State's general fund. The counties, particularly in these hard economic times, are interested in these fines and forfeitures if only to recoup their enforcement costs. A study of the feasibility of such a transfer appears to be very appropriate at this time.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 228 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 1365 Agriculture, Labor, and Employment on S.R. No. 131**

The purpose of this Resolution is to respectfully urge the United States Congress to renew the highly successful U.S. sugar program in the 1995 Farm Bill.

Your Committee finds that the primary purpose of the sugar program is to protect the nation's sugar producers against unfair competition from heavily subsidized foreign competition. The program has operated at no cost to U.S. taxpayers since its establishment in the 1985 Farm Bill, and has worked to ensure fair competition in the marketplace for our domestic producers and to provide the American consumer with a stable supply of the highest quality sugar at reasonable prices.

Your Committee believes that this measure is an effective means of highlighting the tremendous benefits of the sugar program for Hawaii's sugar producers, as well as for other American sugar producers, and for American consumers in general. This strong message of support is even more important in this time of fiscal constraint, when farm programs are an easy target for elimination or severe reductions.

Your Committee has amended the fourth WHEREAS clause by providing that Hawaii's sugar industry generates, directly and indirectly, more than \$800 million, rather than \$900 million, of annual economic activity in the State. Your Committee has also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 131, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 131, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1366 Agriculture, Labor, and Employment on S.C.R. No. 148**

The purpose of this Concurrent Resolution is to respectfully urge the United States Congress to renew the highly successful U.S. sugar program in the 1995 Farm Bill.

Your Committee finds that the primary purpose of the sugar program is to protect the nation's sugar producers against unfair competition from heavily subsidized foreign competition. The program has operated at no cost to U.S. taxpayers since its establishment in the 1985 Farm Bill, and has worked to ensure fair competition in the marketplace for our domestic producers and to provide the American consumer with a stable supply of the highest quality sugar at reasonable prices.

Your Committee believes that this measure is an effective means of highlighting the tremendous benefits of the sugar program for Hawaii's sugar producers, as well as for other American sugar producers, and for American consumers in general. This strong message of support is even more important in this time of fiscal constraint, when farm programs are an easy target for elimination or severe reductions.

Your Committee has amended the fourth WHEREAS clause by providing that Hawaii's sugar industry generates, directly and indirectly, more than \$800 million, rather than \$900 million, of annual economic activity in the State. Your Committee has also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 148, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 148, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1367      Agriculture, Labor, and Employment on S.R. No. 145**

The purpose of this Resolution is to express support of efforts to foster the growth of diversified agriculture in Hawaii by requesting specific state departments to assist in the proliferation of diversified agriculture products.

These diversified agriculture products are those that utilize green house technology, water conservation techniques, diminished pesticide use, and pose little environmental hazards. The requested assistance is in the form of issuing long term leases, loans, and grants, and initiating job retraining programs.

Your Committee notes that the recent closing of a number of Hawaii's sugar mills and the downsizing of that industry calls for the expansion of diversified agriculture as a viable alternative to replace sugar in Hawaii's economy. This Resolution calls upon the State to take an aggressive initiative to foster the transition into diversified agriculture and to foster its growth in Hawaii.

Your Committee has amended this Resolution on recommendation of the Department of Business, Economic Development, and Tourism (DBEDT) to include the Agribusiness Development Corporation in this process.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 145, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 145, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1368      Agriculture, Labor, and Employment on S.C.R. No. 166**

The purpose of this Concurrent Resolution is to express support of efforts to foster the growth of diversified agriculture in Hawaii by requesting specific state departments to assist in the proliferation of diversified agriculture products.

These diversified agriculture products are those that utilize green house technology, water conservation techniques, diminished pesticide use, and pose little environmental hazards. The requested assistance is in the form of issuing long term leases, loans, and grants, and initiating job retraining programs.

Your Committee notes that the recent closing of a number of Hawaii's sugar mills and the downsizing of that industry calls for the expansion of diversified agriculture as a viable alternative to replace sugar in Hawaii's economy. This Concurrent Resolution calls upon the State to take an aggressive initiative to foster the transition into diversified agriculture and to foster its growth in Hawaii.

Your Committee has amended this Concurrent Resolution on recommendation of the Department of Business, Economic Development, and Tourism (DBEDT) to include the Agribusiness Development Corporation in this process.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 166, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1369      Agriculture, Labor, and Employment on S.R. No. 239**

The purpose of this Resolution is to request the governor to explore the possibility of using Job Corps students for volunteer clerical services throughout the state administration.

A few students in the Hawaii Job Corps have been doing volunteer service for the Department of Public Safety for the past two years. These students perform clerical tasks such as answering telephones, filing, light typing, and doing errands on a part time basis.

Your Committee notes that these students have lightened the administrative burdens of the Department of Public Safety and believes that their use throughout the state administration should be seriously considered, especially in these tight budgetary times.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 239 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1370      Agriculture, Labor, and Employment on S.C.R. No. 279**

The purpose of this Concurrent Resolution is to request the governor to explore the possibility of using Job Corps students for volunteer clerical services throughout the state administration.

A few students in the Hawaii Job Corps have been doing volunteer service for the Department of Public Safety for the past two years. These students perform clerical tasks such as answering telephones, filing, light typing, and doing errands on a part time basis.

Your Committee notes that these students have lightened the administrative burdens of the Department of Public Safety and believes that their use throughout the state administration should be seriously considered, especially in these tight budgetary times.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 279 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1371      Agriculture, Labor, and Employment on S.C.R. No. 283**

The purpose of this Concurrent Resolution is to request the Agribusiness Development Corporation, the Hawaiian Sugar Planters' Association, various state and federal government agencies, and members of Hawaii's congressional delegation to develop a clear consensus on the vision, goals, objectives, and priorities of an agribusiness research center and set forth an implementation plan.

Your Committee notes that the shutdown of the Waialua Sugar Company presents many challenges and opportunities for the Waialua and Haleiwa communities as they seek to retain their rural and agricultural heritage. The establishment of an agribusiness research center in the Waialua-Haleiwa area will provide leadership in the development, financing, improvement, and enhancement of agriculture-related business enterprises in the area to replace the sugar industry and to ultimately provide Hawaii's economy with potentially new revenue sources.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 283 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1372      Education on S.R. No. 75**

The purpose of this Resolution is to express legislative support for the development of vocational, technical, and core academic education programs in Hawaii High Schools.

Vocational, technical, and core academic education or "tech-prep" is an alternative to the traditional academic education program in public high schools. According to supporting testimony of the Department of Education, thirty-four high schools are presently planning or implementing tech-prep programs to run concurrently with the academic program in those same schools.

Your Committee notes that as many as sixty-five per cent of Hawaii's high school graduates do not go on to college after graduation. Your Committee believes that a tech-prep program may be most appropriate for these students to prepare them for today's technology-oriented job market.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 75 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1373      Education on S.C.R. No. 88**

The purpose of this Concurrent Resolution is to express legislative support for the development of vocational, technical, and core academic education programs in Hawaii High Schools.

Vocational, technical, and core academic education or "tech-prep" is an alternative to the traditional academic education program in public high schools. According to supporting testimony of the Department of Education, thirty-four high schools are presently planning or implementing tech-prep programs to run concurrently with the academic program in those same schools.

Your Committee notes that as many as sixty-five per cent of Hawaii's high school graduates do not go on to college after graduation. Your Committee believes that a tech-prep program may be most appropriate for these students to prepare them for today's technology-oriented job market.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1374 Education on S.R. No. 170**

The purpose of this Resolution is to urge all Hawaii public schools to implement the "Student Code of Conduct" adopted by the Board of Education.

The Board of Education adopted the Student Code of Conduct on February 2, 1995. That code covers matters relating to attendance, punctuality, work habits, respect, and freedom from fear, including preparation and participation in class, meeting performance standards, completing homework, preparing for tests, and obeying the school rules and all laws. Students are expected to behave with dignity, respect, and courtesy in deference for the rights of other students, faculty, and staff.

Your Committee believes that the Student Code of Conduct is a worthwhile and commendable product of the Board of Education and should be implemented by all schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 170 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1375 Education on S.C.R. No. 204**

The purpose of this Concurrent Resolution is to urge all Hawaii public schools to implement the "Student Code of Conduct" adopted by the Board of Education.

The Board of Education adopted the Student Code of Conduct on February 2, 1995. That code covers matters relating to attendance, punctuality, work habits, respect, and freedom from fear, including preparation and participation in class, meeting performance standards, completing homework, preparing for tests, and obeying the school rules and all laws. Students are expected to behave with dignity, respect, and courtesy in deference for the rights of other students, faculty, and staff.

Your Committee believes that the Student Code of Conduct is a worthwhile and commendable product of the Board of Education and should be implemented by all schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 204 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, Non. Excused, 2 (Bunda, Tam).

**SCRep. 1376 Higher Education, Culture, and Arts on S.R. No. 160**

The purpose of this Resolution is to urge the Department of Budget and Finance, the Department of Accounting and General Services, and the State Foundation on Culture and the Arts (SFCA) to expedite the processing of grants and contracts with arts organizations that encompass music, dance, theatre, the visual arts, and other organizations relating to the arts.

Your Committee finds that because of the Governor's request of a review and approval process of all state contracts and grant authorizations prior to encumbrance with arts organizations, the State has had difficulty fulfilling its obligations under current contracts and grants. Several of the arts organizations have partially or fully completed their obligations and are still awaiting payments which for some are critical to the economic well being of their organizations.

Your Committee has amended this Resolution to ask the SFCA to convene a task force composed of the SFCA, the Department of Budget and Finance, the Department of Accounting and General Services, and representatives of arts organizations to suggest changes to improve the process of authorization and execution of grants and contracts and communications between the State and arts organizations. The task force is required to submit a report to the Legislature of its suggested changes prior to the adjournment of the 1995 legislative session.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 160, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 160, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1377 Higher Education, Culture, and Arts on S.C.R. No. 181**

The purpose of this Concurrent Resolution is to urge the Department of Budget and Finance, the Department of Accounting and General Services, and the State Foundation on Culture and the Arts (SFCA) to expedite the processing of grants and contracts with arts organizations that encompass music, dance, theatre, the visual arts, and other organizations relating to the arts.

Your Committee finds that because of the Governor's request of a review and approval process of all state contracts and grant authorizations prior to encumbrance with arts organizations, the State has had difficulty fulfilling its obligations under current contracts and grants. Several of the arts organizations have partially or fully completed their obligations and are still awaiting payments which for some are critical to the economic well being of their organizations.

Your Committee has amended this Concurrent Resolution to ask the SFCA to convene a task force composed of the SFCA, the Department of Budget and Finance, the Department of Accounting and General Services, and representatives of arts organizations to suggest changes to improve the process of authorization and execution of grants and contracts and communications between the State and arts organizations. The task force is required to submit a report to the Legislature of its suggested changes prior to the adjournment of the 1995 legislative session.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 181, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 181, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1378 Planning, Land and Water Use Management on S.R. No. 93**

The purpose of this Resolution is to request that a state water conservation plan be designed and developed pursuant to a statewide conference.

Based on testimony from the Commission on Water Resource Management, your Committee has amended this Resolution to more accurately reflect the policy as set forth in section 174C-4, Hawaii Revised Statutes, and has amended the title of this Resolution to more accurately reflect its contents.

Your Committee has also amended this Resolution to more clearly specify the participants of the conference.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 93, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 93, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Holt, Ige, Matsunaga).

**SCRep. 1379 Planning, Land and Water Use Management on S.C.R. No. 107**

The purpose of this Concurrent Resolution is to request that a state water conservation plan be designed and developed pursuant to a statewide conference.

Based on testimony from the Commission on Water Resource Management, your Committee has amended this Concurrent Resolution to more accurately reflect the policy as set forth in section 174C-4, Hawaii Revised Statutes, and has amended the title of this Concurrent Resolution to more accurately reflect its contents.

Your Committee has also amended this Concurrent Resolution to more clearly specify the participants of the conference.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 107, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 107, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Holt, Ige, Matsunaga).

**SCRep. 1380 Planning, Land and Water Use Management on S.C.R. No. 286**

The purpose of this Concurrent Resolution is to request the Department of Land and Natural Resources to establish good land stewardship standards, definitions, and programs.

Land stewardship is a concept of preserving natural resources, including soil fertility, water quality, rare and endangered plant and animal species, and archaeological and cultural sites. Land stewardship is basic to the protection and preservation of natural resources in general. Therefore, your Committee believes that the State should have standards, definitions, and programs to establish and promote land stewardship.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 286 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ige).

**SCRep. 1381 Transportation and Government Affairs on S.R. No. 67**

The purpose of this Resolution is to make clear that a veteran who owns a motorcycle, like a veteran who owns a four-wheeled vehicle, is able to acquire, for a fee, a special number plate for the motorcycle, and to request the Director of

Finance for the City and County of Honolulu to originate and distribute motorcycle license plates that clearly indicate the veteran's special status while complying with the law regarding license plate numerals and lettering.

Director Robert C. Viduya of the Office of Veterans Services, State Department of Defense, offered testimony in support of the bill. Testimony by Russell W. Miyake, Director of Finance for the City and County of Honolulu, submitted with respect to S.B. No. 808 introduced during the 1995 Regular Session and concerning veterans' license plates, indicated that sample plates have been prepared and presented no objection other than to note that present law appears to permit the issuance of such plates.

Your Committee has amended the Resolution to make clear that these special plates should not be used for commercial purposes as such an exploitative use is contrary to the purpose of allowing special plates in the first instance.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 67, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1382      Transportation and Government Affairs on S.C.R. No. 80**

The purpose of this Concurrent Resolution is to make clear that a veteran who owns a motorcycle, like a veteran who owns a four-wheeled vehicle, is able to acquire, for a fee, a special number plate for the motorcycle, and to request the Director of Finance for the City and County of Honolulu to originate and distribute motorcycle license plates that clearly indicate the veteran's special status while complying with the law regarding license plate numerals and lettering.

Director Robert C. Viduya of the Office of Veterans Services, State Department of Defense, offered testimony in support of the bill. Testimony by Russell W. Miyake, Director of Finance for the City and County of Honolulu, submitted with respect to S.B. No. 808 introduced during the 1995 Regular Session and concerning veterans' license plates, indicated that sample plates have been prepared and presented no objection other than to note that present law appears to permit the issuance of such plates.

Your Committee has amended the Concurrent Resolution to make clear that these special plates should not be used for commercial purposes as such an exploitative use is contrary to the purpose of allowing special plates in the first instance.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 80, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1383      Ways and Means on S.R. No. 237**

The purpose of this resolution is to request the governor to establish a planning commission to organize and ensure the success of the Waipahu centennial celebration on or about June 17, 1997.

The resolution also requests:

- (1) The governor to appoint four members from the Waipahu community and to consider Goro Arakawa as honorary chair; and
- (2) The President of the Senate and the Speaker of the House of Representatives to each appoint three members from the Waipahu community.

Your Committee finds that Waipahu, a community whose roots and heritage are that of a plantation village, has become one of the oldest and largest viable communities in Hawaii and will have existed for one hundred years in 1997. Waipahu continues to keep alive the plantation village personality and offers insight into Hawaii's history, reflecting the various waves of immigrants who came to Hawaii to till the plantation fields in the early 1900s.

Your Committee supports efforts to organize and plan for the centennial anniversary celebration of the establishment of the Waipahu community on or about June 17, 1997 and believes the establishment of a planning commission will help to ensure its success.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 237 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1384      Ways and Means on S.C.R. No. 276**

The purpose of this concurrent resolution is to request the governor to establish a planning commission to organize and ensure the success of the Waipahu centennial celebration on or about June 17, 1997.

The concurrent resolution also requests:

- (1) The governor to appoint four members from the Waipahu community and to consider Goro Arakawa as honorary chair; and
- (2) The president of the senate and the speaker of the house of representatives to each appoint three members from the Waipahu community.

Your Committee finds that Waipahu, a community whose roots and heritage are that of a plantation village, has become one of the oldest and largest viable communities in Hawaii and will have existed for one hundred years in 1997. Waipahu continues to keep alive the plantation village personality and offers insight into Hawaii's history, reflecting the various waves of immigrants who came to Hawaii to till the plantation fields in the early 1900s.

Your Committee supports efforts to organize and plan for the centennial anniversary celebration of the establishment of the Waipahu community on or about June 17, 1997 and believes the establishment of a planning commission will help to ensure its success.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 276 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1385 Higher Education, Culture, and Arts on S.R. No. 116**

The purpose of this Resolution is to request the Governor to designate one week in May of every year as the "State of Hawaii Archaeology Week".

Your Committee finds that a "State of Hawaii Archaeology Week" will provide an opportunity for the public at large to realize the significant role archaeology plays in the State of Hawaii and at the University of Hawaii.

Your Committee has amended this Resolution to change the designated week, in the title and in the body of the Resolution to be in the month of April rather than May. Your Committee also has provided that a copy of the Resolution be sent to the Governor.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1386 Higher Education, Culture, and Arts on S.R. No. 148**

The purpose of this Resolution is to urge the Board of Regents of the University of Hawaii to consider the purchase at a distress sale of any former hotel in the West Hawaii area to be used as a post-secondary education facility.

Your Committee finds that the current facilities for the West Hawaii Educational Center are woefully inadequate to serve the current student enrollment of five hundred. Although a permanent campus is planned at Kalaoa for the University of Hawaii, West Hawaii, construction funds have not been allocated and will likely remain that way because of current state budget constraints. A cheaper alternative to the purchase of raw land and the building of facilities to accommodate state budget constraints would be to purchase existing land and buildings, such as the facilities of hotels forced to close down due to the current downturn in tourism in the West Hawaii area.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 148, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1387 Higher Education, Culture, and Arts on S.C.R. No. 169**

The purpose of this Concurrent Resolution is to urge the Board of Regents of the University of Hawaii to consider the purchase at a distress sale of any former hotel in the West Hawaii area to be used as a post-secondary education facility.

Your Committee finds that the current facilities for the West Hawaii Educational Center are woefully inadequate to serve the current student enrollment of five hundred. Although a permanent campus is planned at Kalaoa for the University of Hawaii, West Hawaii, construction funds have not been allocated and will likely remain that way because of current state budget constraints. A cheaper alternative to the purchase of raw land and the building of facilities to accommodate state budget constraints would be to purchase existing land and buildings, such as the facilities of hotels forced to close down due to the current downturn in tourism in the West Hawaii area.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1388 Higher Education, Culture, and Arts on S.R. No. 186**

The purpose of this Resolution is to urge AMFAC/JMB Hawaii, Inc., to donate twenty acres of land in Waipahu, Hawaii to the Waipahu Community to establish a Hawaii Heritage Center and Park.

Your Committee finds that the Waipahu community has been the foundation for the success of AMFAC/JMB Hawaii, Inc.'s Oahu Sugar Company's sugar mill for almost one hundred years. It would be a kind gesture of appreciation for AMFAC/JMB Hawaii Inc., to donate lands in and around the sugar mill, that is closing down, for the community to enjoy a heritage center and park.

Your Committee has amended the title and the body of this Resolution to delete specific language relating to the donation of twenty acres, the use of ten acres for use as a revenue base, and a comprehensive and lasting display of a multi-ethnic society. Your Committee has also amended this Resolution to substitute the word "donate" with the phrase "set aside" and to specify that the heritage center and park is for the commemoration and celebration of the multicultural aspects of society in Hawaii as they relate to the sugar industry.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 186, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 186, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1389 Higher Education, Culture, and Arts on S.C.R. No. 213**

The purpose of this Concurrent Resolution is to urge AMFAC/JMB Hawaii, Inc., to donate twenty acres of land in Waipahu, Hawaii to the Waipahu Community to establish a Hawaii Heritage Center and Park.

Your Committee finds that the Waipahu community has been the foundation for the success of AMFAC/JMB Hawaii, Inc.'s Oahu Sugar Company's sugar mill for almost one hundred years. It would be a kind gesture of appreciation for AMFAC/JMB Hawaii Inc., to donate lands in and around the sugar mill, that is closing down, for the community to enjoy a heritage center and park.

Your Committee has amended the title and the body of this Concurrent Resolution to delete specific language relating to the donation of twenty acres, the use of ten acres for use as a revenue base, and a comprehensive and lasting display of a multi-ethnic society. Your Committee has also amended this Concurrent Resolution to substitute the word "donate" with the phrase "set aside" and to specify that the heritage center and park is for the commemoration and celebration of the multicultural aspects of society in Hawaii as they relate to the sugar industry.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 213, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 213, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1390 Higher Education, Culture, and Arts on S.R. No. 205**

The purpose of this Resolution is to request the Board of Regents of the University of Hawaii to adopt a ten-year facilities development plan.

Your Committee finds that the Legislature has been unable to effectively review and authorize the expenditure of funds to meet the University's needs for capital improvement projects due to plans that have been ad hoc year to year.

Your Committee has amended this Resolution to:

- (1) Request the Board of Regents of the University of Hawaii to develop instead of adopt a ten-year facilities development plan; and
- (2) Request the Board of Regents to develop a facilities plan based on three different budgets with appropriations of \$25 million per year, \$50 million per year, and an unlimited amount per year from the general fund; and
- (3) Request the Board of regents to request for and listen to community input and opinion in developing the facilities development plan.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 205, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 205, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1391 Higher Education, Culture, and Arts on S.C.R. No. 235**

The purpose of this Concurrent Resolution is to request the Board of Regents of the University of Hawaii to adopt a ten-year facilities development plan.

Your Committee finds that the Legislature has been unable to effectively review and authorize the expenditure of funds to meet the University's needs for capital improvement projects due to plans that have been ad hoc year to year.

Your Committee has amended this Concurrent Resolution to:

- (1) Request the Board of Regents of the University of Hawaii to develop instead of adopt a ten-year facilities development plan; and
- (2) Request the Board of Regents to develop a facilities plan based on three different budgets with appropriations of \$25 million per year, \$50 million per year, and an unlimited amount per year from the general fund; and
- (3) Request the Board of regents to request for and listen to community input and opinion in developing the facilities development plan.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1392 Higher Education, Culture, and Arts on S.R. No. 258**

The purpose of this Resolution is to reassert the name Pu'u o Kapolei for the area presently known as Fort Barrett in West Oahu.

Your Committee finds that reasserting the name Pu'u o Kapolei for this area would help preserve the historical, cultural, and spiritual significance of this area as regarded by the Hawaiian people.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 258 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1393 Higher Education, Culture, and Arts on S.C.R. No. 306**

The purpose of this Concurrent Resolution is to reassert the name Pu'u o Kapolei for the area presently known as Fort Barrett in West Oahu.

Your Committee finds that reasserting the name Pu'u o Kapolei for this area would help preserve the historical, cultural, and spiritual significance of this area as regarded by the Hawaiian people.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 306 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1394 Judiciary on H.C.R. No. 142**

The purpose of the resolution is to request each member of Hawaii's congressional delegation to urge the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, providing Congress and the states with the power to prohibit the willful physical desecration of the flag of the United States.

Your Committee finds that physical desecration of the United States flag, often inflicted by individuals venting anger or frustration with national policy, is permitted despite the flag's importance as a national symbol of democracy and freedom. Such desecration is perceived by many as an attack on national pride, honor, and dignity, especially by those who dedicated their lives to serve and protect the country. Your Committee believes that respectful treatment of the flag is important in promoting pride in American heritage and values. Your Committee is aware that Hawaii is one of only four states that has not urged Congress to protect the flag from dishonorable treatment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 142, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

**SCRep. 1395 Judiciary on S.R. No. 22**

The purpose of the resolution is to urge the President of the United States and the Congress to amend the Constitution to prohibit the physical desecration of the United States flag.

Your Committee finds that this resolution was recommitted to permit further review.

Your Committee finds that physical desecration of the United States flag, often inflicted by individuals venting anger or frustration with national policy, is permitted despite the flag's importance as a national symbol of democracy and freedom. Such desecration is perceived by many as an attack on national pride, honor, and dignity, especially by those who dedicated their lives to serve and protect the country. Your Committee believes that respectful treatment of the flag is important in promoting pride in American heritage and values. Your Committee is aware that Hawaii is one of only four states that has not urged Congress to protect the flag from dishonorable treatment.

Testimony in support of the resolution was received from thirteen organizations and individuals. All expressed their dismay at the disrespectful treatment currently permitted, and encouraged the prohibition of physical activities dishonoring the flag. Testimony in opposition was received from the Hawaiian Political Action Council of Hawaii and the American Civil Liberties Union of Hawaii Foundation.

Your Committee amended the bill by making technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 22, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 22, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1396      Judiciary on S.C.R. No. 26**

The purpose of the resolution is to urge the President of the United States and the Congress to amend the Constitution to prohibit the physical desecration of the United States flag.

Your Committee finds that this resolution was recommitted to permit further review.

Your Committee finds that physical desecration of the United States flag, often inflicted by individuals venting anger or frustration with national policy, is permitted despite the flag's importance as a national symbol of democracy and freedom. Such desecration is perceived by many as an attack on national pride, honor, and dignity, especially by those who dedicated their lives to serve and protect the country. Your Committee believes that respectful treatment of the flag is important in promoting pride in American heritage and values. Your Committee is aware that Hawaii is one of only four states that has not urged Congress to protect the flag from dishonorable treatment.

Testimony in support of the resolution was received from thirteen organizations and individuals. All expressed their dismay at the disrespectful treatment currently permitted, and encouraged the prohibition of physical activities dishonoring the flag. Testimony in opposition was received from the Hawaiian Political Action Council of Hawaii and the American Civil Liberties Union of Hawaii Foundation.

Your Committee amended the bill by making technical changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 26, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 26, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chumbley, Matsuura, Anderson).

**SCRep. 1397      Economic Development on S.R. No. 35**

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to develop and implement a techno-tourism policy aimed at making Hawaii the Asia-Pacific region's preeminent center for international science and technology conferences.

DBEDT submitted testimony in support of this Resolution stating that implementing an international techno-tourism policy to make Hawaii the Asia-Pacific region's preeminent center for science and technology conferences would create "... significant benefits both for our economy and from the knowledge and intellectual interaction these sessions would bring."

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 35 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1398      Economic Development on S.C.R. No. 42**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to develop and implement a techno-tourism policy aimed at making Hawaii the Asia-Pacific region's preeminent center for international science and technology conferences.

DBEDT submitted testimony in support of this Concurrent Resolution stating that implementing an international techno-tourism policy to make Hawaii the Asia-Pacific region's preeminent center for science and technology conferences would create "... significant benefits both for our economy and from the knowledge and intellectual interaction these sessions would bring."

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1399      Economic Development on S.R. No. 180**

The purpose of this Resolution is to urge and encourage the development and exploration of alternative fuels, and to further discussion on establishing an ethanol industry in the State, to stimulate the State's economy and reduce the State's dependency on imported petroleum.

Ron Phillips testified in favor of this Resolution, stating that the production of ethanol as an alternative fuel from sugar cane will take advantage of Hawaii's agricultural labor market and reduce the State's dependency on imported fuels.

Favorable testimony was also received by Energy Associates of Hawaii and Don Jacobs.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 180 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1400      Economic Development on S.C.R. No. 207**

The purpose of this Concurrent Resolution is to urge and encourage the development and exploration of alternative fuels, and to further discussion on establishing an ethanol industry in the State, to stimulate the State's economy and reduce the State's dependency on imported petroleum.

Ron Phillips testified in favor of this Concurrent Resolution, stating that the production of ethanol as an alternative fuel from sugar cane will take advantage of Hawaii's agricultural labor market and reduce the State's dependency on imported fuels.

Favorable testimony was also received by Energy Associates of Hawaii and Don Jacobs.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 207 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1401      Economic Development on S.R. No. 199**

The purpose of this Resolution is to request Hawaii's Congressional Delegation to identify how the federal government can promote dual-use technology, including funding and possible collaborative mechanisms.

With increasing global competition, the federal government needs to provide American businesses with as many advantages as practicable to allow them to compete with foreign businesses.

Many foreign countries have experienced economic success and progress by collaborating efforts between government and private industry. The United States can also take advantage of collaborations between the public and private sectors in many areas which could range from environmental cleanup to high technology.

Your Committee received testimony in support of this Resolution from the Department of Business, Economic Development, and Tourism, Keawe Vredenburg, and the High Tech Development Corporation.

our Committee has amended this Resolution by:

- (1) Deleting a paragraph requesting private industry in Hawaii to develop proposals for dual-use technology which would be reviewed and evaluated by state and federal agencies;
- (2) Adding a paragraph requesting the Army, Navy, and Air Force to hold technical briefings on current military research which may have potential civilian use;
- (3) Adding a paragraph encouraging private industry to develop proposals and identify areas where dual-use programs and subjects should be funded by the federal government; and
- (4) Correcting the names of the various chambers of commerce and adding others to the list of those to receive certified copies.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 199, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 199, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1402      Economic Development on S.C.R. No. 230**

The purpose of this Concurrent Resolution is to request Hawaii's Congressional Delegation to identify how the federal government can promote dual-use technology, including funding and possible collaborative mechanisms.

With increasing global competition, the federal government needs to provide American businesses with as many advantages as practicable to allow them to compete with foreign businesses.

Many foreign countries have experienced economic success and progress by collaborating efforts between government and private industry. The United States can also take advantage of collaborations between the public and private sectors in many areas which could range from environmental cleanup to high technology.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Business, Economic Development, and Tourism, Keawe Vredenburg, and the High Tech Development Corporation.

Your Committee has amended this Concurrent Resolution by:

- (1) Deleting a paragraph requesting private industry in Hawaii to develop proposals for dual-use technology which would be reviewed and evaluated by state and federal agencies;
- (2) Adding a paragraph requesting the Army, Navy, and Air Force to hold technical briefings on current military research which may have potential civilian use;
- (3) Adding a paragraph encouraging private industry to develop proposals and identify areas where dual-use programs and subjects should be funded by the federal government; and
- (4) Correcting the names of various chambers of commerce and adding others to the list of those to receive certified copies.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 230, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 230, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1403      Economic Development on S.R. No. 217**

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism to work with the Hawaii Alliance for Community-Based Economic Development (HACBED) in developing the strategy and program plans for the creation of a Hawaii-Based Community Development Financial Institution (CDFI).

Community-Based Economic Development (CBED) is an approach to economic development which encourages the creation of viable economic ventures which bring communities into the development process as full partners. In order to make CBED more effective, increased access to loans, equity investments, and comprehensive development services is needed.

CDFI's have proven the ability of the private sector to play a key role in leveraging resources for economic development by providing capital and technical assistance to community associations. In fact, CDFI's have provided over \$3 billion in loans over the last decade for economic development at the community level.

DBEDT submitted testimony in support of this Resolution, stating that HACBED had already received a grant from DBEDT to enable it to develop a statewide CDFI for the first phase of the project. DBEDT plans to remain actively involved in the establishment of a Hawaii CDFI, both in planning and securing matching funds to help facilitate its creation. Your Committee also received testimony in support of this Resolution from Dennis Kondo.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 217 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1404      Economic Development on S.C.R. No. 248**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to work with the Hawaii Alliance for Community-Based Economic Development (HACBED) in developing the strategy and program plans for the creation of a Hawaii-Based Community Development Financial Institution (CDFI).

Community-Based Economic Development(CBED) is an approach to economic development which encourages the creation of viable economic ventures which bring communities into the development process as full partners. In order to make CBED more effective, increased access to loans, equity investments, and comprehensive development services is needed.

CDFI's have proven the ability of the private sector to play a key role in leveraging resources for economic development by providing capital and technical assistance to community associations. In fact, CDFI's have provided over \$3 billion in loans over the last decade for economic development at the community level.

DBEDT submitted testimony in support of this Concurrent Resolution, stating that HACBED had already received a grant from DBEDT to enable it to develop a statewide CDFI for the first phase of the project. DBEDT plans to remain actively involved in the establishment of a Hawaii CDFI, both in planning and securing matching funds to help facilitate its creation. Your Committee also received testimony in support of this Concurrent Resolution from Dennis Kondo.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 248 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1405      Economic Development on S.R. No. 250**

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) and the Commissioner of Securities to determine, in consultation with other professionals in the securities industry, the feasibility of establishing a niche securities market in Hawaii, based on Hawaii's advantages in location and global time zones, and its advanced telecommunications infrastructure.

DBEDT testified in favor of this Resolution stating that the necessary parties, DBEDT, the Commissioner of Securities, and representatives of the securities industry, are part of the Honolulu Financial Center Task Force, an informal group that can be reactivated at any time. DBEDT further stated that they would be willing to reconvene the group to consider what new developments in the securities industry might mean for a niche market possibility in Honolulu, given Hawaii's advantageous position on the global twenty-four hour trading clock half way between the U.S. East Coast and East Asia.

Testimony in support of this Resolution was also submitted by the Department of Commerce and Consumer Affairs and J.B. Havre, Inc.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 250 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1406      Economic Development on S.C.R. No. 298**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) and the Commissioner of Securities to determine, in consultation with other professionals in the securities industry, the feasibility of establishing a niche securities market in Hawaii, based on Hawaii's advantages in location and global time zones, and its advanced telecommunications infrastructure.

DBEDT testified in favor of this Concurrent Resolution stating that the necessary parties, DBEDT, the Commissioner of Securities, and representatives of the securities industry, are part of the Honolulu Financial Center Task Force, an informal group that can be reactivated at any time. DBEDT further stated that they would be willing to reconvene the group to consider what new developments in the securities industry might mean for a niche market possibility in Honolulu, given Hawaii's advantageous position on the global twenty-four hour trading clock half way between the U.S. East Coast and East Asia.

Testimony in support of this Concurrent Resolution was also submitted by the Department of Commerce and Consumer Affairs and J.B. Havre, Inc.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 298 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1407      Ecology and Environmental Protection on S.R. No. 120**

This Resolution requests that the Department of Land and Natural Resources develop an overall strategy for maintaining and controlling feral pigs.

There is concern that if uncontrolled, pigs may destroy habitats surrounding conservation areas creating a negative impact on watersheds, medicinal plants, native plants and wildlife, and threatened and endangered species. There is also a concern that hunters who use the pig for subsistence purposes would be denied access to their traditional hunting areas where pigs would be eradicated.

Testimony submitted by the Department of Land and Natural Resources (DLNR) supported the intent of the Resolution. DLNR has already developed a use classification system for all public hunting areas, including Natural Areas, in an attempt to accommodate public hunting, both for recreation and subsistence purposes. The use classification system also provides native ecosystem protection. DLNR has been working with the Natural Area Working Group over the past year to discuss game management and Natural Area management issues. DLNR is also in the process of revising the hunting regulations and plans to convene public hearings to discuss the game management program and obtain public feedback on game management issues. Many of these issues that the Resolution requests are being currently addressed by DLNR.

Your Committee has amended this Resolution by requesting DLNR to include the concerns raised in this Resolution in their mandated annual Wildlife Revolving Fund report to the Legislature.

Your Committee has also amended the title and body of this Resolution by requesting a progress report be submitted rather than development of an overall strategy.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 120, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 120, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1408 Ecology and Environmental Protection on S.C.R. No. 137**

This Concurrent Resolution requests that the Department of Land and Natural Resources develop an overall strategy for maintaining and controlling feral pigs.

There is concern that if uncontrolled, pigs may destroy habitats surrounding conservation areas creating a negative impact on watersheds, medicinal plants, native plants and wildlife, and threatened and endangered species. There is also a concern that hunters who use the pig for subsistence purposes would be denied access to their traditional hunting areas where pigs would be eradicated.

Testimony submitted by the Department of Land and Natural Resources (DLNR) supported the intent of the Concurrent Resolution. DLNR has already developed a use classification system for all public hunting areas, including Natural Areas, in an attempt to accommodate public hunting, both for recreation and subsistence purposes. The use classification system also provides native ecosystem protection. DLNR has been working with the Natural Area Working Group over the past year to discuss game management and Natural Area management issues. DLNR is also in the process of revising the hunting regulations and plans to convene public hearings to discuss the game management program and obtain public feedback on game management issues. Many of these issues that the Concurrent Resolution requests are being currently addressed by DLNR.

Your Committee has amended this Concurrent Resolution by requesting DLNR to include the concerns raised in this Concurrent Resolution in their mandated annual Wildlife Revolving Fund report to the Legislature.

Your Committee has also amended the title and body of this Concurrent Resolution by requesting a progress report be submitted rather than development of an overall strategy.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee is in accord 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1409 Ecology and Environmental Protection on S.R. No. 176**

This Resolution requests the Department of Health (DOH) to analyze the impacts of terrigenous sediments and agricultural chemicals on water quality and biota in the Kaiaka-Waialua Bay area.

There is concern that the off-shore waters of the bay are regularly plagued by soil runoff, pesticides, and other contaminants generated by agricultural and other uses in the hydrological unit area. A serious threat to the habitat of many marine species is presented because of the magnitude of soil and other contaminants deposited into the waters of the Kaiaka-Waialua Bay.

Testimony submitted by DOH supported the intent of the measure but due to budgetary constraints DOH would not be able to undertake a comprehensive study of magnitude requested in the Resolution.

Your Committee has amended the Resolution so that the pollution control requested can be initiated without extensive data collection. DOH is requested to review data which has already been collected to begin addressing the water quality concerns.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1410 Ecology and Environmental Protection on S.C.R. No. 200**

This Concurrent Resolution requests the Department of Health (DOH) to analyze the impacts of terrigenous sediments and agricultural chemicals on water quality and biota in the Kaiaka-Waialua Bay area.

There is concern that the off-shore waters of the bay are regularly plagued by soil runoff, pesticides, and other contaminants generated by agricultural and other uses in the hydrological unit area. A serious threat to the habitat of many marine species is presented because of the magnitude of soil and other contaminants deposited into the waters of the Kaiaka-Waialua Bay.

Testimony submitted by DOH supported the intent of the measure but due to budgetary constraints DOH would not be able to undertake a comprehensive study of magnitude requested in the Concurrent Resolution.

Your Committee has amended the Concurrent Resolution so that the pollution control requested can be initiated without extensive data collection. DOH is requested to review data which has already been collected to begin addressing the water quality concerns.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1411 Consumer Protection on S.R. No. 3**

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a study to evaluate the efficiency of the use of newspapers of general circulation as the sole form of public notices required by law.

Your Committee finds that numerous state laws require the publication of legal notices and other information solely in newspapers of general circulation. Many of these laws were enacted years ago when there was no reasonable alternative to print media.

In light of the vast array of communications media, including electronic on-line services, now available, your Committee believes that a study of this nature is important and timely.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 3 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 1412 Consumer Protection on S.C.R. No. 1**

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study to evaluate the efficiency of the use of newspapers of general circulation as the sole form of public notices required by law.

Your Committee finds that numerous state laws require the publication of legal notices and other information solely in newspapers of general circulation. Many of these laws were enacted years ago when there was no reasonable alternative to print media.

In light of the vast array of communications media, including electronic on-line services, now available, your Committee believes that a study of this nature is important and timely.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 1 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 1413 (Joint) Consumer Protection and Ways and Means on S.C.R. No. 7**

The purpose of this Concurrent Resolution is to request the Auditor to conduct a sunrise analysis on the regulation of nutritionists.

Your Committees note that the profession of nutrition counselling and dietetic services is prominent in the medical services field. However, there are no regulatory measures to assure competency and to protect the public. This Concurrent Resolution asks the Auditor to conduct an analysis on a proposed new regulatory measure to regulate nutritionists, S.B. No. 1499, introduced in the Regular Session of 1995.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 7 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 5 (Aki, Bunda, Fernandes Salling, Solomon, Tanaka).

**SCRep. 1414 Consumer Protection on S.C.R. No. 293**

The purpose of this Concurrent Resolution is to urge the Department of Commerce and Consumer Affairs to conduct a study to determine better ways to enforce sales laws in the sports memorabilia and collectable markets.

Your Committee finds that the rapid growth of the sports memorabilia and collectable markets has resulted in increased opportunity for fraud through counterfeiting and forgery of items which are represented as authentic. Your Committee further finds that although sales laws are in place, their scope is limited and there are no other consumer protection provisions regulating this expanding industry.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 293 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 1415 Education on S.R. No. 61**

The purpose of this Resolution is to request the Department of Education (DOE) Food Services Program to purchase only locally-grown bananas.

Your Committee finds that requesting DOE to purchase only locally-grown bananas for its Food Services Program will not only help the the Hawaii banana growers industry stay competitive in the banana market, but also discourage the Hawaii banana market from allowing the dumping of foreign bananas at below their cost of production creating unfair competition for the local banana growers in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 61 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1416 Education on S.C.R. No. 74**

The purpose of this Concurrent Resolution is to request the Department of Education (DOE) Food Services Program to purchase only locally-grown bananas.

Your Committee finds that requesting DOE to purchase only locally-grown bananas for its Food Services Program will not only help the the Hawaii banana growers industry stay competitive in the banana market, but also discourage the Hawaii banana market from allowing the dumping of foreign bananas at below their cost of production creating unfair competition for the local banana growers in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 74 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1417 Education on S.R. No. 94**

The purpose of this Resolution is to urge the Department of Education to support and encourage different options for student assessment.

Your Committee finds that recent education reforms have encouraged the adoption of statewide student performance standards, while allowing flexibility in the assessment of the achievement of student performance. Your Committee further finds that a multi-dimensional approach to student assessment offers the most accurate, valid, and reliable measurement of student achievement.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 94 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1418 Education on S.C.R. No. 108**

The purpose of this Concurrent Resolution is to urge the Department of Education to support and encourage different options for student assessment.

Your Committee finds that recent education reforms have encouraged the adoption of statewide student performance standards, while allowing flexibility in the assessment of the achievement of student performance. Your Committee further finds that a multi-dimensional approach to student assessment offers the most accurate, valid, and reliable measurement of student achievement.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1419      Education on S.R. No. 147**

The purpose of this Resolution is to request the Board of Education to consider converting all public schools to calendar year utilization by the 1997-1998 school year. The Board is also requested to consider converting certain schools with classroom shortage problems to a multi-track calendar year and to plan all new school facilities on the basis of implementing a multi-track calendar year utilization.

Your Committee finds that calendar year utilization of public schools would require students to attend school year-round, on intervals such as forty-five days in/fifteen days out instead of the current nine months in/three months out. Your Committee further finds that calendar year utilization is one option that should be available to relieve school overcrowding and make better use of school facilities and staff. Additionally, multi-track calendar year utilization would further optimize the use of facilities and staff by allowing more than one cohort of students to attend the same school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 147 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1420      Education on S.C.R. No. 168**

The purpose of this Concurrent Resolution is to request the Board of Education to consider converting all public schools to calendar year utilization by the 1997-1998 school year. The Board is also requested to consider converting certain schools with classroom shortage problems to a multi-track calendar year and to plan all new school facilities on the basis of implementing a multi-track calendar year utilization.

Your Committee finds that calendar year utilization of public schools would require students to attend school year-round, on intervals such as forty-five days in/fifteen days out instead of the current nine months in/three months out. Your Committee further finds that calendar year utilization is one option that should be available to relieve school overcrowding and make better use of school facilities and staff. Additionally, multi-track calendar year utilization would further optimize the use of facilities and staff by allowing more than one cohort of students to attend the same school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 168 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1421      Education on S.R. No. 172**

The purpose of this Resolution is to establish an interagency violence prevention coordinating council to address the integration of violence prevention curricula throughout the Hawaii school system.

Your Committee finds that the effects of violence in our community are reflected in the loss of both human and financial resources which could be utilized to a more positive end. Your Committee further finds that implementing a comprehensive program to teach the prevention of violence is critical to ending the cycle of violence in our community.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 172 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1422      Education on S.C.R. No. 194**

The purpose of this Concurrent Resolution is to establish an interagency violence prevention coordinating council to address the integration of violence prevention curricula throughout the Hawaii school system.

Your Committee finds that the effects of violence in our community are reflected in the loss of both human and financial resources which could be utilized to a more positive end. Your Committee further finds that implementing a comprehensive program to teach the prevention of violence is critical to ending the cycle of violence in our community.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1423      Education on S.R. No. 185**

The purpose of this Resolution is to request the Department of Education to use Anuenue Elementary School as a facility for the Hawaiian language immersion program.

Your Committee finds that the Hawaiian language immersion program ensures the perpetuation of Hawaiian language skills, Hawaiian culture, and the Hawaiian people. Using Anuenue Elementary School as a facility for the Hawaiian language immersion program will provide an opportunity for more students to become involved in the program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 185 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1424 Education on S.C.R. No. 212**

The purpose of this Concurrent Resolution is to request the Department of Education to use Anuenue Elementary School as a facility for the Hawaiian language immersion program.

Your Committee finds that the Hawaiian language immersion program ensures the perpetuation of Hawaiian language skills, Hawaiian culture, and the Hawaiian people. Using Anuenue Elementary School as a facility for the Hawaiian language immersion program will provide an opportunity for more students to become involved in the program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 212 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1425 Education on S.R. No. 222**

The purpose of this Resolution is to request the Department of Education, in collaboration with several arts education organizations, to provide recommendations to better incorporate arts education into the Hawaii public school curriculum.

Your Committee finds that the arts have been identified as a catalyst for educational reform. Research has proven that the arts greatly increase the enjoyment of learning for students, help educators keep students interested in school, and contribute to student self-esteem, success, and productivity.

Your Committee has amended this Resolution to add the Maui Arts and Culture Center as one of the suggested arts organizations to work with the Department of Education and as one of the organizations to receive a certified copy of this Resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 222, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 222, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1426 Education on S.C.R. No. 254**

The purpose of this Concurrent Resolution is to request the Department of Education, in collaboration with several arts education organizations, to provide recommendations to better incorporate arts education into the Hawaii public school curriculum.

Your Committee finds that the arts have been identified as a catalyst for educational reform. Research has proven that the arts greatly increase the enjoyment of learning for students, help educators keep students interested in school, and contribute to student self-esteem, success, and productivity.

Your Committee has amended this Concurrent Resolution to add the Maui Arts and Culture Center as one of the suggested arts organizations to work with the Department of Education and as one of the organizations to receive a certified copy of this Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 254, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 254, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Tam).

**SCRep. 1427 Agriculture, Labor, and Employment on S.R. No. 91**

The purpose of this Resolution is to urge Hawaii's telecommunication utilities to adopt "Hawaii jobs for Hawaii's people" policies.

Your Committee finds that over the years, there has been an emerging trend of companies transferring or removing job functions traditionally held within the State to functions and employees outside the State.

Your Committee also finds that not only does this trend erode the economic base of Hawaii's communities, but it eventually leads to the uprooting of many families, who have called Hawaii home for several generations and who are forced to move to the mainland because there are no job opportunities in the State.

Your Committee believes that the intent embodied in this Resolution supports the end to the disturbing trend that threatens the lifeblood of Hawaii's telecommunication industry, an area of vital importance to the State.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 91 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1428      Agriculture, Labor, and Employment on S.C.R. No. 105**

The purpose of this Concurrent Resolution is to urge Hawaii's telecommunication utilities to adopt "Hawaii jobs for Hawaii's people" policies.

Your Committee finds that over the years, there has been an emerging trend of companies transferring or removing job functions traditionally held within the State to functions and employees outside the State.

Your Committee also finds that not only does this trend erode the economic base of Hawaii's communities, but it eventually leads to the uprooting of many families, who have called Hawaii home for several generations and who are forced to move to the mainland because there are no job opportunities in the State.

Your Committee believes that the intent embodied in this Concurrent Resolution supports the end to the disturbing trend that threatens the lifeblood of Hawaii's telecommunication industry, an area of vital importance to the State.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1429      Agriculture, Labor, and Employment on S.R. No. 153**

The purpose of this Resolution is to request that the Department of Agriculture submit a report containing findings and recommendations on the biological research options and alternatives that would lead to the elimination of ivy gourd, *Coccinia grandis*.

Your Committee finds that the ivy gourd, *Coccinia grandis*, which is also known colloquially as "lowland banana poka", was first discovered in Hawai'i in 1985 and has since overrun hundreds of acres on Oahu, from Haleiwa to Kailua and Waimanalo, over the Pali and Tantalus and on to east Honolulu. Additionally, the ivy gourd has heavily infested Kailua-Kona on the Big Island and has been found in an isolated area of Kaua'i.

Your Committee also finds that because the ivy gourd has no known natural enemy in Hawai'i to control its proliferation, Hawai'i's lowland forests could be consumed by the ivy gourd if no controlling agent can be found to eliminate this noxious weed.

In an attempt to search for a solution to the widespread overgrowth in Hawai'i, the Department of Agriculture (Department) has sent personnel to countries where ivy gourd is indigenous. However, the exploratory investigation conducted by the Department could not identify a natural enemy of the ivy gourd.

Your Committee believes that the control and possible eradication of the ivy gourd is necessary to protect the State's fragile ecosystems.

Your Committee has amended the Resolution by adding the Outdoor Circle to the list of organizations that will receive a certified copy of the Resolution upon its adoption.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SCRep. 1430      Agriculture, Labor, and Employment on S.C.R. No. 174**

The purpose of this Concurrent Resolution is to request that the Department of Agriculture submit a report containing findings and recommendations on the biological research options and alternatives that would lead to the elimination of ivy gourd, *Coccinia grandis*.

Your Committee finds that the ivy gourd, *Coccinia grandis*, which is also known colloquially as "lowland banana poka", was first discovered in Hawai'i in 1985 and has since overrun hundreds of acres on Oahu, from Haleiwa to Kailua

and Waimanalo, over the Pali and Tantalus and on to east Honolulu. Additionally, the ivy gourd has heavily infested Kailua-Kona on the Big Island and has been found in an isolated area of Kaua'i.

Your Committee also finds that because the ivy gourd has no known natural enemy in Hawai'i to control its proliferation, Hawai'i's lowland forests could be consumed by the ivy gourd if no controlling agent can be found to eliminate this noxious weed.

In an attempt to search for a solution to the widespread overgrowth in Hawai'i, the Department of Agriculture (Department) has sent personnel to countries where ivy gourd is indigenous. However, the exploratory investigation conducted by the Department could not identify a natural enemy of the ivy gourd.

Your Committee believes that the control and possible eradication of the ivy gourd is necessary to protect the State's fragile ecosystems.

Your Committee has amended the Concurrent Resolution by adding the Outdoor Circle to the list of organizations that will receive a certified copy of the Concurrent Resolution upon its adoption.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SRep. 1431      Agriculture, Labor, and Employment on S.R. No. 257**

The purpose of this Resolution is to require the State Department of Agriculture (DOA) to establish a pilot program designed to allow guide dogs to enter the State without subjecting the guide dogs to the State's quarantine requirements; provided that the guide dogs meet certain criteria established by the DOA.

Under existing law, any time a guide dog from an area not designated by the DOA as "rabies free" enters the State, the guide dog must be subjected to the State's 120 day animal quarantine requirement. Consequently, these requirements place an onerous burden upon guide dog users while concomitantly impairing the guide dogs ability to function properly.

Your Committee recognizes that resident guide dogs returning from short trips to rabies-infected countries or areas may pose a very minimal risk of rabies transmission. At the same time, your Committee remains cautious as to the complete and permanent elimination of rabies prevention requirements for these guide dogs until a successful trial program has proven unequivocally that the health and safety of the people of the State will not be compromised.

Testimony submitted by the DOA indicated support for establishing such a pilot program.

Your Committee has amended this measure by:

- (1) Providing that the State Board of Agriculture establish the pilot program, rather than the Department of Agriculture;
- (2) Clarifying that the Board of Agriculture's pilot program include protocols that would allow for the expeditious ingress and egress of resident guide dogs as well as the expeditious ingress of new and replacement guide dogs procured from the mainland United States for resident guide dog users;
- (3) Adding language that requests the Board of Agriculture to also prepare protocols for the expeditious ingress of nonresident guide dogs that enter the State for either transitory stays or permanent residence so that their handlers may more readily utilize the guide dog's services while in the State; and
- (4) Adding the Coalition for a Rabies Free Hawaii to the list of organizations with whom the Board of Agriculture is required to consult in the development of the pilot program.

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

It is your Committee's intent in recommending the adoption of this Resolution that the Board of Agriculture take utmost care in establishing protocols for the pilot program so as to provide reasonable assurances that rabies will not be introduced into the State.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 257, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 257, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

**SRep. 1432      Agriculture, Labor, and Employment on S.C.R. No. 305**

The purpose of this Concurrent Resolution is to require the State Department of Agriculture (DOA) to establish a pilot program designed to allow guide dogs to enter the State without subjecting the guide dogs to the State's quarantine requirements; provided that the guide dogs meet certain criteria established by the DOA.

Under existing law, any time a guide dog from an area not designated by the DOA as "rabies free" enters the State, the guide dog must be subjected to the State's 120 day animal quarantine requirement. Consequently, these requirements place an onerous burden upon guide dog users while concomitantly impairing the guide dogs ability to function properly.

Your Committee recognizes that resident guide dogs returning from short trips to rabies-infected countries or areas may pose a very minimal risk of rabies transmission. At the same time, your Committee remains cautious as to the complete and permanent elimination of rabies prevention requirements for these guide dogs until a successful trial program has proven unequivocally that the health and safety of the people of the State will not be compromised.

Testimony submitted by the DOA indicated support for establishing such a pilot program.

Your Committee has amended this measure by:

- (1) Providing that the State Board of Agriculture establish the pilot program, rather than the Department of Agriculture;
- (2) Clarifying that the Board of Agriculture's pilot program include protocols that would allow for the expeditious ingress and egress of resident guide dogs as well as the expeditious ingress of new and replacement guide dogs procured from the mainland United States for resident guide dog users;
- (3) Adding language that requests the Board of Agriculture to also prepare protocols for the expeditious ingress of nonresident guide dogs that enter the State for either transitory stays or permanent residence so that their handlers may more readily utilize the guide dog's services while in the State; and
- (4) Adding the Coalition for a Rabies Free Hawaii to the list of organizations with whom the Board of Agriculture is required to consult in the development of the pilot program.

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

It is your Committee's intent in recommending the adoption of this Concurrent Resolution that the Board of Agriculture take utmost care in establishing protocols for the pilot program so as to provide reasonable assurances that rabies will not be introduced into the State.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 305, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 305, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

#### **SCRep. 1433      Agriculture, Labor, and Employment on S.R. No. 252**

The purpose of this Resolution is to support the use of the neem tree for various pest control initiatives in the State and Asia-Pacific region.

Your Committee finds that approximately ten to thirty percent of Hawaii's potential agricultural production, valued at \$50 million to \$150 million annually, is reportedly destroyed by pests, despite the use of synthetic pesticides. Although the use of these synthetic pesticides in Hawaii and elsewhere serves beneficial purposes, these synthetic pesticides increasingly threaten ecological balance and human health through contamination of ground water, accumulation of toxic residues in produce, and general dispersion into the atmosphere.

Your Committee also finds that the neem tree from the Indo-Pakistan region has recently attracted increased global attention due to its broad-spectrum effectiveness against many species of insects, mites, and nematodes, together with the fact that it is currently being used for pest control by many farmers in South Asia and elsewhere.

Your Committee believes that the use of natural pesticides from sources such as the neem tree could offer an alternative method of pest control that may be safer, more economical, and derived from an under-utilized natural resource.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 252 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

#### **SCRep. 1434      Agriculture, Labor, and Employment on S.C.R. No. 300**

The purpose of this Concurrent Resolution is to support the use of the neem tree for various pest control initiatives in the State and Asia-Pacific region.

Your Committee finds that approximately ten to thirty percent of Hawaii's potential agricultural production, valued at \$50 million to \$150 million annually, is reportedly destroyed by pests, despite the use of synthetic pesticides. Although the use of these synthetic pesticides in Hawaii and elsewhere serves beneficial purposes, these synthetic pesticides increasingly threaten ecological balance and human health through contamination of ground water, accumulation of toxic residues in produce, and general dispersion into the atmosphere.

Your Committee also finds that the neem tree from the Indo-Pakistan region has recently attracted increased global attention due to its broad-spectrum effectiveness against many species of insects, mites, and nematodes, together with the fact that it is currently being used for pest control by many farmers in South Asia and elsewhere.

Your Committee believes that the use of natural pesticides from sources such as the neem tree could offer an alternative method of pest control that may be safer, more economical, and derived from an under-utilized natural resource.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 300 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1435 (Joint) Higher Education, Culture, and Arts and Education on S.R. No. 169**

The purpose of this Resolution is to request the department of education and the University of Hawaii to integrate domestic violence prevention into their curriculum.

Your Committees find that both the University of Hawaii and the department of education are concerned about the adverse effects of domestic violence in our society. Violence is learned behavior that results in poor student behavior and academic performance in the schools, higher crime rates, increased social costs, and loss of human potential. Integrating a violence prevention curriculum within the Hawaii public school and university system is one way to combat this social ill.

As affirmed by the records of votes of the members of your Committees on Higher Education, Culture, and Arts and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 169 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Fukunaga, Ikeda, McCartney, Tam).

**SCRep. 1436 (Joint) Higher Education, Culture, and Arts and Education on S.C.R. No. 191**

The purpose of this Concurrent Resolution is to request the department of education and the University of Hawaii to integrate domestic violence prevention into their curriculum.

Your Committees find that both the University of Hawaii and the department of education are concerned about the adverse effects of domestic violence in our society. Violence is learned behavior that results in poor student behavior and academic performance in the schools, higher crime rates, increased social costs, and loss of human potential. Integrating a violence prevention curriculum within the Hawaii public school and university system is one way to combat this social ill.

As affirmed by the records of votes of the members of your Committees on Higher Education, Culture, and Arts and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 191 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Fukunaga, Ikeda, McCartney, Tam).

**SCRep. 1437 Ways and Means on S.C.R. No. 61**

The purpose of this concurrent resolution is to request the auditor to conduct an impact assessment report of the social and financial effects of requiring all health insurance providers to provide coverage for acupuncture services as a mandate or rider.

Your Committee finds that, for many people in Hawaii, acupuncture is an effective alternative to western medicine for treating certain types of ailments, and that individuals who seek this treatment must pay out-of-pocket expenses because acupuncture services are not currently covered by most health plans.

Your Committee finds, however, that this concurrent resolution, by declaring that acupuncture services will substantially reduce illness and assist in the maintenance of good health, and that greater access to these services would provide more efficient and cost-effective health care, inappropriately presupposes the findings of the study before the auditor has had the opportunity to conduct the assessment called for by this concurrent resolution.

Your Committee further finds that the auditor should be given greater guidance in terms of the specific services provided by acupuncture specialists to study. Since acupuncture services are covered by both motor vehicle and workers' compensation insurance, your Committee believes that a directive for the auditor to study the acupuncture services provided through these programs is a reasonable starting point for information on utilization and cost. In addition, your Committee finds that at least one health plan, that of PGMA, currently covers acupuncture services.

Upon further consideration, your Committee has therefore amended this concurrent resolution by:

- (1) Deleting the fifth and seventh whereas clauses, and substituting more objective, neutral language in place of the fifth "whereas" clause to the effect that the legislature has an interest in assessing whether or not there is a

public demand for health care coverage for acupuncture services and whether requiring all health plans to provide such coverage will provide greater access to efficient and cost-effective care;

- (2) Amending the third "whereas" clause to clarify that acupuncture services are not required under most health insurance plans, rather than all such health plans; and
- (3) Amending the first "resolved" clause to request the auditor to conduct its assessment in the areas of motor vehicle and workers' compensation insurance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 61, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 61, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

#### **SCRep. 1438      Ways and Means on S.R. No. 139**

The purpose of this Resolution is to request the Employees' Retirement System to study, investigate, and evaluate the impact on the Employees' Retirement System if employees could retire when the combination of their age plus their years of service equalled eighty.

Your Committee finds that when the Seventeenth Legislature in 1994 enacted Act 212 to allow any employee with at least twenty-five years of service by December 31, 1994 to retire without any penalty and with no age criteria, the retirement benefit payout period could theoretically extend well beyond forty years for some individuals.

The instant proposal called "Formula-80" involves setting retirement eligibility at the point when an employee's number of years of service plus an employee's age equals eighty. Using the statistical hypothetical lifespan of eighty-five years, the Employees' Retirement System could theoretically save some thousands of dollars per year by paying out less retirement dollars over that retiree's remaining lifespan. There may be other cost savings to the Employees' Retirement System not known at this time.

In view of these considerations and the current budgetary constraints, your Committee finds that the instant proposal deserves serious review by the experts in the Employees' Retirement System.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 139 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

#### **SCRep. 1439      Ways and Means on S.C.R. No. 159**

The purpose of this Concurrent Resolution is to request the Employees' Retirement System to study, investigate, and evaluate the impact on the Employees' Retirement System if employees could retire when the combination of their age plus their years of service equalled eighty.

Your Committee finds that when the Seventeenth Legislature in 1994 enacted Act 212 to allow any employee with at least twenty-five years of service by December 31, 1994 to retire without any penalty and with no age criteria, the retirement benefit payout period could theoretically extend well beyond forty years for some individuals.

The instant proposal called "Formula-80" involves setting retirement eligibility at the point when an employee's number of years of service plus an employee's age equals eighty. Using the statistical hypothetical lifespan of eighty-five years, the Employees' Retirement System could theoretically save some thousands of dollars per year by paying out less retirement dollars over that retiree's remaining lifespan. There may be other cost savings to the Employees' Retirement System not known at this time.

In view of these considerations and the current budgetary constraints, your Committee finds that the instant proposal deserves serious review by the experts in the Employees' Retirement System.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

#### **SCRep. 1440      Ways and Means on S.C.R. No. 202**

The purpose of this Concurrent Resolution is to urge the governor and the department of human resources development to expedite the implementation of a "cafeteria" health benefits plan for public employees.

The Concurrent Resolution also requests a report on the status of implementation no later than twenty days prior to the convening of the Regular Session of 1996.

Your Committee finds that Act 63, Session Laws of Hawaii 1989, authorized the State and counties to establish cafeteria plans within the meaning of section 125 of the Internal Revenue Code of 1986, as amended. A cafeteria plan provides an

employee with basic benefits, such as medical and life insurance coverages, plus the opportunity to purchase supplemental coverages or additional benefits or to take a cash allowance.

The governor assigned the responsibility for the implementation and operation of the cafeteria plan to the department of human resources development in 1990. Since then, the department has implemented the premium conversion plan which provides for the reduction of an employee's gross pay by the amount of contributions the employee makes toward any health benefits plans and the payment of the health benefits plan contributions by the employer.

Your Committee finds that, although employees who have enrolled in the premium conversion plan have been paying less federal and state income taxes and Social Security taxes with an increase in take-home pay, more tax savings and increases in take-home pay could be realized if the State had a comprehensive cafeteria plan in effect.

Your Committee believes that further steps should be taken to provide public employees with the benefits available from a comprehensive cafeteria plan. Your Committee also notes that the department testified in support of this Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 202 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1441      Ways and Means on S.C.R. No. 214**

The purpose of this concurrent resolution is to request the governor to convene the Hawaii maritime industry policy advisory task force to conduct a comprehensive review of Hawaii's maritime policies.

The importance of the commercial harbors to the survival of Hawaii is well-known to the community. However, there are many competing interests that arise when managing the different uses. The water front harbor areas are becoming busier every day without benefit of regulation or foresight.

Your Committee finds that it is in the best interest of the community to convene the Hawaii maritime industry policy advisory task force. The task force will explore issues that are related to both advantages and disadvantages of the harbor operations, in both current and future uses. Finally the task force is requested to address whether there are more efficient methods of utilizing the State's commercial harbors that may include establishing a port authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 214, S.D. 1 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1442      (Joint) Education, Higher Education, Culture, and Arts, and Communications and Public Utilities on S.C.R. No. 47**

The purpose of this Concurrent Resolution is to request the Office of the Governor to examine the Ke Ala 'Ike initiative to make linking all public schools and libraries through broadband communication one of the State's highest priorities.

Your Committees find that our society and economy has shifted from the industrial to the information age, and this shift should be reflected in the ongoing development and reform of our public education system. Your Committees further find that telecommunication linkages between schools and libraries would offer an affordable means to provide an expansive education system which could integrate public and private information networks.

As affirmed by the records of votes of the members of your Committees on Education, Higher Education, Culture, and Arts, and Communications and Public Utilities that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 47 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 6 (Bunda, Fernandes Salling, Ikeda, Iwase, Tam, Liu).

**SCRep. 1443      (Joint) Education and Higher Education, Culture, and Arts on S.R. No. 87**

The purpose of this Resolution is to request the Department of Education and the University of Hawaii to increase their emphasis on African-American history by enhancing staffing and curriculum.

Your Committees find that Hawaii is a multi-ethnic society in which a myriad of cultures are represented, and thereby the texture of each culture is woven into our daily lives. Your Committees further find that the African-American culture is underrepresented in the staffing and curriculum in our public education system, and efforts should be made to ensure this important piece of American culture is adequately represented.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education, Culture, and Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 87 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Fukunaga, Ikeda, McCartney, Tam).

**SCRep. 1444 (Joint) Education and Higher Education, Culture, and Arts on S.C.R. No. 101**

The purpose of this Concurrent Resolution is to request the Department of Education and the University of Hawaii to increase their emphasis on African-American history by enhancing staffing and curriculum.

Your Committees find that Hawaii is a multi-ethnic society in which a myriad of cultures are represented, and thereby the texture of each culture is woven into our daily lives. Your Committees further find that the African-American culture is underrepresented in the staffing and curriculum in our public education system, and efforts should be made to ensure this important piece of American culture is adequately represented.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education, Culture, and Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 101 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Fukunaga, Ikeda, McCartney, Tam).

**SCRep. 1445 Communications and Public Utilities on S.R. No. 65**

The purpose of this resolution is to urge the nonprofit public, education and government ("PEG") cable access corporations to provide membership in their corporations to cable subscribers living in the cable service franchise area in which the nonprofit PEG access corporations operate.

Each county has a separate corporation for managing the PEG access, which has heretofore trained personnel, produced, and broadcast important community programming, as well as assisting other organizations with grants in carrying out their public access, education, and government programming objectives. The PEG access corporations in Hawaii, like most PEG access corporations around the United States, are funded by cable franchise operators, whose PEG access fees are set by local regulation and directly or indirectly passed on to their subscribers.

Your Committee finds that expanding PEG programming is one of the main goals of the PEG access affiliates; however, it is not clear whether allowing cable subscribers direct participation in PEG access corporations would help achieve the goals of broader community programming. Your Committee believes that the operations of nonprofit PEG cable access corporations in Hawaii should be reviewed to ensure that they meet current needs of the community.

Your Committee has amended this resolution by requesting the Legislative Reference Bureau to study the nonprofit PEG access corporations in Hawaii to determine if their operations meet the goals of PEG access programming.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 65, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 65, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Liu).

**SCRep. 1446 Communications and Public Utilities on S.C.R. No. 77**

The purpose of this concurrent resolution is to urge the nonprofit public, education and government ("PEG") cable access corporations to provide membership in their corporations to cable subscribers living in the cable service franchise area in which the nonprofit PEG access corporations operate.

Each county has a separate corporation for managing the PEG access, which has heretofore trained personnel, produced, and broadcast important community programming, as well as assisting other organizations with grants in carrying out their public access, education, and government programming objectives. The PEG access corporations in Hawaii, like most PEG access corporations around the United States, are funded by cable franchise operators, whose PEG access fees are set by local regulation and directly or indirectly passed on to their subscribers.

Your Committee finds that expanding PEG programming is one of the main goals of the PEG access affiliates; however, it is not clear whether allowing cable subscribers direct participation in PEG access corporations would help achieve the goals of broader community programming. Your Committee believes that the operations of nonprofit PEG cable access corporations in Hawaii should be reviewed to ensure that they meet current needs of the community.

Your Committee has amended this concurrent resolution by requesting the Legislative Reference Bureau to study the nonprofit PEG access corporations in Hawaii to determine if their operations meet the goals of PEG access programming.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Liu).

**SCRep. 1447 Communication and Public Utilities on S.C.R. No. 95**

The purpose of this Concurrent Resolution is to request the PUC and the Consumer Advocate to review GTE Hawaiian Tel's compliance with rules prescribing telephone service quality measures and standards, particularly those regarding local points of service, and to require appropriate remedial action as necessary in the public interest.

Your Committee finds that many concerns have been raised throughout the State regarding the quality not only of telecommunications services, but also of electrical and other utility services, including the responsiveness to requests for repairs and billing and rate investigations.

Your Committee believes that as the State transitions into a more competitive utilities marketplace, service quality must be the foremost concern of State regulators and service providers alike. All of Hawaii's utilities customers, whether resident in urban or outlying rural areas, must be assured of consistently high levels of utilities service and responsiveness at fair and reasonable rates.

Unfortunately, the current rules prescribing utilities service quality measures and standards are outdated and, in the case of telephone services, considerably below the levels that are acceptable under current technology advances. Accordingly, it is possible for utilities providers to technically satisfy the PUC's rules regarding service quality, and yet fail to meet the reasonable expectations of many of Hawaii's utilities customers.

In addition, the current PUC practice of reviewing service quality performance primarily on an ad-hoc basis, in connection with particular requests for rate increases, has the unintended effect of leaving consumers, in many instances, without a direct mechanism to handle serious service quality-related complaints. In most cases, their only avenue for redress is through the Office of the Consumer Advocate, which faces an ever-growing workload, and which must, in any event, initiate its own investigation with the PUC.

Your Committee has amended this measure by revising the title of the Concurrent Resolution, deleting all existing paragraphs in the body, and inserting new paragraphs, to request the PUC, with the assistance of the Consumer Advocate, to review all relevant service quality measures and standards, and to develop a more consumer-friendly set of procedures for addressing service quality problems and insuring compliance with appropriate rules for service quality standards.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 95, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 95, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Chumbley).

**SCRep. 1448      Communications and Public Utilities on S.R. No. 216**

The purpose of this resolution is to request the public utilities commission (PUC) and the department of commerce and consumer affairs (DCCA) to promptly make public the results of their review and assessment of consolidated regulation of communications technologies in Hawaii that had been due before the convening of the current regular session.

Your Committee finds that, as of last year, the states had at best a two-year window of opportunity to develop state implementation mechanisms for guaranteeing universal service and overseeing the transition to competition among many media technologies to provide enhanced communications services. That window may be shrinking, particularly as pending federal legislation which merges telecommunications and cable regulation becomes more likely to pass in 1995. Your Committee finds that the PUC and the DCCA originally reported back to the legislature by letter to state that this issue would be addressed in the course of the PUC's telecommunications Infrastructure Docket No. 7702.

However, your Committee believes that this issue should more appropriately be addressed at the agency and departmental level, rather than in Docket No. 7702 where the department's cable tv division is one of numerous parties. This resolution, therefore, requests the PUC and the DCCA to submit an informal report and a copy of all materials that have been generated to date in response to S.C.R. No. 191 within ten working days of receipt of the transmission of this resolution. Copies of such materials have been provided to committee members for review after the public hearing on this measure.

Your Committee has further amended this resolution to request a final report regarding any revised telecommunications and cable regulatory framework for the State of Hawaii to be submitted by the PUC and the DCCA by September 30, 1995, without regard to the completion of the PUC's Docket No. 7702.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 216, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 216, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Liu).

**SCRep. 1449      Communications and Public Utilities on S.C.R. No. 247**

The purpose of this concurrent resolution is to request the public utilities commission (PUC) and the department of commerce and consumer affairs (DCCA) to promptly make public the results of their review and assessment of consolidated regulation of communications technologies in Hawaii that had been due before the convening of the current regular session.

Your Committee finds that, as of last year, the states had at best a two-year window of opportunity to develop state implementation mechanisms for guaranteeing universal service and overseeing the transition to competition among many media technologies to provide enhanced communications services. That window may be shrinking, particularly as pending federal legislation which merges telecommunications and cable regulation becomes more likely to pass in 1995. Your Committee finds that the PUC and the DCCA originally reported back to the legislature by letter to state that this issue would be addressed in the course of the PUC's telecommunications Infrastructure Docket No. 7702.

However, your Committee believes that this issue should more appropriately be addressed at the agency and departmental level, rather than in Docket No. 7702 where the department's cable tv division is one of numerous parties. This concurrent resolution, therefore, requests the PUC and the DCCA to submit an informal report and a copy of all materials that have been generated to date in response to S.C.R. No. 191 within ten working days of receipt of the transmission of this concurrent resolution. Copies of such materials have been provided to committee members for review after the public hearing on this measure.

Your Committee has further amended this concurrent resolution to request a final report regarding any revised telecommunications and cable regulatory framework for the State of Hawaii to be submitted by the PUC and the DCCA by September 30, 1995, without regard to the completion of the PUC's Docket No. 7702.

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 247, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 247, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Liu).

#### **SCRep. 1450      Communication and Public Utilities on S.R. No. 224**

The purpose of this Resolution is to request the Public Utilities Commission (PUC) to provide a report to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session, detailing ways on how it intends to implement the recommendations set forth in the January 1995, Dennis Thomas and Associates report entitled "Review of the Relationship between Hawaiian Electric Industries and Hawaiian Electric Company (Thomas Report).

Your Committee finds that the Thomas Report is the result of a legislative request to the PUC to retain an independent consultant to review the public impact of Hawaiian Electric Company's (HECO) restructuring and diversified operations (House Concurrent Resolution No. 46, Seventeenth Legislature, 1993).

The Thomas Report sets forth certain recommended actions to be taken by the PUC and by HECO and Hawaiian Electric Industries, Inc. (HEI) to protect the public's interest in receiving the highest quality of electric services at affordable rates.

Your Committee has amended this measure by:

- (1) Revising the title of this Resolution and the body to broaden the scope of the PUC's reporting requirement to include, among other things, a statement of the PUC's overall impression of the quality of the Thomas Report; a statement detailing the total costs of the Thomas Report, and the party or parties who provided those costs; a specific timetable for implementation of the various recommendations, including the extent of the parties' agreement and/or disagreement with those recommendations; a statement regarding HEI's and HECO's compliance with the terms of the restructuring agreement; and a statement detailing the extent to which the PUC has reviewed the audited financial statements of HEI and HECO;
- (2) Requesting the PUC to provide its report to the Legislature no later than one-hundred-twenty days, rather than twenty days, prior to the convening of the 1996 Regular Session, and clarifying that the PUC's reporting requirement is in addition to and irrespective of its investigation of HECO and HEI pursuant to Docket No. 7591 or other similar dockets; and
- (3) Requesting the PUC to obtain such additional information from HEI, HECO, and Dennis Thomas and Associates as it may require in order to prepare its report to the Legislature.

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

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 224, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 224, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Liu).

#### **SCRep. 1451      Communications and Public Utilities on S.C.R. No. 256**

The purpose of this Concurrent Resolution is to request the Public Utilities Commission (PUC) to provide a report to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session, detailing ways on how it intends to implement the recommendations set forth in the January 1995, Dennis Thomas and Associates report entitled "Review of the Relationship between Hawaiian Electric Industries and Hawaiian Electric Company (Thomas Report).

Your Committee finds that the Thomas Report is the result of a legislative request to the PUC to retain an independent consultant to review the public impact of Hawaiian Electric Company's (HECO) restructuring and diversified operations (House Concurrent Resolution No. 46, Seventeenth Legislature, 1993).

The Thomas Report sets forth certain recommended actions to be taken by the PUC and by HECO and Hawaiian Electric Industries, Inc. (HEI) to protect the public's interest in receiving the highest quality of electric services at affordable rates.

Your Committee has amended this measure by:

- (1) Revising the title of this Concurrent Resolution and the body to broaden the scope of the PUC's reporting requirement to include, among other things, a statement of the PUC's overall impression of the quality of the Thomas Report; a statement detailing the total costs of the Thomas Report, and the party or parties who provided those costs; a specific timetable for implementation of the various recommendations, including the extent of the parties' agreement and/or disagreement with those recommendations; a statement regarding HEI's and HECO's compliance with the terms of the restructuring agreement; and a statement detailing the extent to which the PUC has reviewed the audited financial statements of HEI and HECO;
- (2) Requesting the PUC to provide its report to the Legislature no later than one-hundred-twenty days, rather than twenty days, prior to the convening of the 1996 Regular Session, and clarifying that the PUC's reporting requirement is in addition to and irrespective of its investigation of HECO and HEI pursuant to Docket No. 7591 or other similar dockets; and
- (3) Requesting the PUC to obtain such additional information from HEI, HECO, and Dennis Thomas and Associates as it may require in order to prepare its report to the Legislature.

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

As affirmed by the record of votes of the members of your Committee on Communications and Public Utilities that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 256, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 256, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Liu).

**SCRep. 1452 (Joint) Communications and Public Utilities and Transportation and Government Affairs on S.R. No. 189**

The purpose of this Resolution is to request the Information and Communications Services Division of the Department of Budget and Finance, the Office of State Planning, the University of Hawaii, the Office of Environmental Quality Control, the Department of Transportation, and the Department of Land and Natural Resources, to work with the various counties to undertake an examination on the feasibility of integrating state and county electronic geographical information systems (GIS).

Your Committees find that many government agencies and private organizations currently employ electronic GIS systems for a multitude of worthy purposes, such as managing, protecting, and preserving Hawaii's natural resource, assisting in crime awareness and prevention, identifying cultural assets in neighborhoods throughout Hawaii, and increasing the effectiveness of warning mechanisms for areas of flood dangers and other civil defense uses. Often times, however, important geographic data is not being shared among interested parties merely because their GIS systems are not technically compatible.

It is your Committee's belief that programs must be established to promote the widespread sharing of this geographic data in order to create an integrated GIS database which can be used by all interested parties, irrespective of the actual compatibility of their respective GIS systems. This is vital not only to the continued preservation of our unique natural surroundings, but also to enhance Hawaii's ability to transition into a truly global information economy.

Your Committees have amended this measure by:

- (1) Clarifying in the title and in the body that the purpose of this Resolution is to request an examination on the feasibility of developing programs that promote the integration of GIS data, rather than the integration of actual systems;
- (2) Including among the parties requested to examine this matter, interested organizations working in community health, land use planning, environmental education, cultural preservation, and other related areas;
- (3) Requesting that the participating agencies and organizations also articulate a policy to increase public awareness of and access to GIS data in the State, and explore ways that may be used to recover costs of maintaining a GIS database and the service required for providing free public access; and
- (4) Requiring the participating agencies and organizations to submit a single, integrated report of their findings and recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session.

Your Committees have also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Communications and Public Utilities and Transportation and Government Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 189, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 189, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Chumbley, Solomon).

**SCRep. 1453 (Joint) Communications and Public Utilities and Transportation and Government Affairs on S.C.R. No. 216**

The purpose of this Concurrent Resolution is to request the Information and Communications Services Division of the Department of Budget and Finance, the Office of State Planning, the University of Hawaii, the Office of Environmental Quality Control, the Department of Transportation, and the Department of Land and Natural Resources, to work with the various counties to undertake an examination on the feasibility of integrating state and county electronic geographical information systems (GIS).

Your Committees find that many government agencies and private organizations currently employ electronic GIS systems for a multitude of worthy purposes, such as managing, protecting, and preserving Hawaii's natural resource, assisting in crime awareness and prevention, identifying cultural assets in neighborhoods throughout Hawaii, and increasing the effectiveness of warning mechanisms for areas of flood dangers and other civil defense uses. Often times, however, important geographic data is not being shared among interested parties merely because their GIS systems are not technically compatible.

It is your Committee's belief that programs must be established to promote the widespread sharing of this geographic data in order to create an integrated GIS database which can be used by all interested parties, irrespective of the actual compatibility of their respective GIS systems. This is vital not only to the continued preservation of our unique natural surroundings, but also to enhance Hawaii's ability to transition into a truly global information economy.

Your Committees have amended this measure by:

- (1) Clarifying in the title and in the body that the purpose of this Concurrent Resolution is to request an examination on the feasibility of developing programs that promote the integration of GIS data, rather than the integration of actual systems;
- (2) Including among the parties requested to examine this matter, interested organizations working in community health, land use planning, environmental education, cultural preservation, and other related areas;
- (3) Requesting that the participating agencies and organizations also articulate a policy to increase public awareness of and access to GIS data in the State, and explore ways that may be used to recover costs of maintaining a GIS database and the service required for providing free public access; and
- (4) Requiring the participating agencies and organizations to submit a single, integrated report of their findings and recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session.

Your Committees have also made several technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Communications and Public Utilities and Transportation and Government Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 216, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 216, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Chumbley, Solomon).

**SCRep. 1454 (Joint) Economic Development and Higher Education, Culture, and Arts on S.R. No. 230**

The purpose of this Resolution is to request the Department of Business, Economic Development, and Tourism to work in conjunction with The University of Hawaii Space Grant College to strengthen the Future Flight Program's immediate and future success.

With the closing of the Office of Space Industry, the Future Flight program faces a very grim future without additional support from other sources. The University of Hawaii Space Grant College is interested in helping in whatever ways it can to ensure the success of Future Flight.

Your Committees received testimony in support of this Resolution from the Department of Business, Economic Development, and Tourism and the University of Hawaii.

Your Committees have amended this Resolution by deleting "Space Grant College" from the title which broadens the scope of assistance to the University of Hawaii. Amendments were also made to add the Board of Regents of the University of Hawaii as one of the entities to work in conjunction with the Department of Business, Economic Development, and Tourism in strengthening the Future Flight Program, and to receive a certified copy of this Resolution.

As affirmed by the records of votes of the members of your Committees on Economic Development and Higher Education, Culture, and Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 230, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 230, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Ikeda, Iwase, McCartney).

**SCRep. 1455 (Joint) Economic Development and Higher Education, Culture, and Arts on S.C.R. No. 268**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to work in conjunction with The University of Hawaii Space Grant College to strengthen the Future Flight Program's immediate and future success.

With the closing of the Office of Space Industry, the Future Flight program faces a very grim future without additional support from other sources. The University of Hawaii Space Grant College is interested in helping in whatever ways it can to ensure the success of Future Flight.

Your Committees received testimony in support of this Concurrent Resolution from the Department of Business, Economic Development, and Tourism and the University of Hawaii.

Your Committees have amended this Concurrent Resolution by deleting "Space Grant College" from the title which broadens the scope of assistance to the University of Hawaii. Amendments were also made to add the Board of Regents of the University of Hawaii as one of the entities to work in conjunction with the Department of Business, Economic Development, and Tourism in strengthening the Future Flight Program, and to receive a certified copy of this Concurrent Resolution.

As affirmed by the records of votes of the members of your Committees on Economic Development and Higher Education, Culture, and Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 268, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 268, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Ikeda, Iwase, McCartney).

**SCRep. 1456 (Joint) Economic Development and Communications and Public Utilities on S.R. No. 212**

The purpose of this Resolution is to urge the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation to work with the Hawaii Island Economic Development Board in an effort to plan and implement measures to foster technology economic development on the island of Hawaii.

The decline of sugar on the Big Island has made the pursuit of viable economic alternatives an urgent issue. High technology industries in many different fields have existed and flourished on the island, but most have evolved independently of one another. To develop and accelerate the growth of this sector of the economy, a more synergistic approach must be taken which unites high technology on the island of Hawaii, and high technology efforts statewide.

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

Your Committees have amended this Resolution by adding language which requests the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation to identify initiatives which may be applied to other areas adversely effected by sugar plantation closures. They were also requested to submit a report containing the five year plan of initiatives that may be applied to other areas.

Your Committees have also added language which reiterates the purpose of the High Technology Development Corporation.

As affirmed by the records of votes of the members of your Committees on Economic Development and Communications and Public Utilities that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 212, as amended herein, and recommend its adoption, in the form attached hereto as S.R. No. 212, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Ihara, Liu).

**SCRep. 1457 (Joint) Economic Development and Communications and Public Utilities on S.C.R. No. 242**

The purpose of this Concurrent Resolution is to urge the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation to work with the Hawaii Island Economic Development Board in an effort to plan and implement measures to foster technology economic development on the island of Hawaii.

The decline of sugar on the Big Island has made the pursuit of viable economic alternatives an urgent issue. High technology industries in many different fields have existed and flourished on the island, but most have evolved independently of one another. To develop and accelerate the growth of this sector of the economy, a more synergistic approach must be taken which unites high technology on the island of Hawaii, and high technology efforts statewide.

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

Your Committees have amended this Concurrent Resolution by adding language which requests the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation to identify initiatives which may be applied to other areas adversely effected by sugar plantation closures. They were also requested to submit a report containing the five year plan of initiatives that may be applied to other areas.

Your Committees have also added language which reiterates the purpose of the High Technology Development Corporation.

As affirmed by the records of votes of the members of your Committees on Economic Development and Communications and Public Utilities that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 242, as amended herein, and recommend its adoption, in the form attached hereto as S.C.R. No. 242, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Ihara, Liu).

**SCRep. 1458 Ecology and Environmental Protection on S.R. No. 98**

The purpose of this Resolution is to urge the Department of Land and Natural Resources and the county governments to increase their efforts to protect, conserve, preserve, and perpetuate native Hawaiian species.

These efforts include, but shall not be limited to conservation zoning, tax incentives, condemnation, and land exchange programs to restore, preserve, and expand native rain forests in Hawaii.

Testimony in support of the intent of this Resolution was submitted by the Department of Land and Natural Resources, Kamehameha Schools/Bishop Estate (KSBE), and the Democratic Party of Hawaii. KSBE opposed the use of the condemnation process, and recommended against it as an option. The department suggested an amendment to provide for increased cooperation and support in strengthening the environmental protection process.

Your Committee amended this Resolution by:

- (1) Deleting "condemnation" as an option, due to its forceful, expensive nature, and because condemnation actions may have negative repercussions on the environment; and
- (2) Urging the department to form cooperative partnerships, which reflect a mutually beneficial agreement of land and resource protection.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 98, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 98, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1459 Ecology and Environmental Protection on S.C.R. No. 112**

The purpose of this Concurrent Resolution is to urge the Department of Land and Natural Resources and the county governments to increase their efforts to protect, conserve, preserve, and perpetuate native Hawaiian species.

These efforts include, but shall not be limited to conservation zoning, tax incentives, condemnation, and land exchange programs to restore, preserve, and expand native rain forests in Hawaii.

Testimony in support of the intent of this Concurrent Resolution was submitted by the Department of Land and Natural Resources, Kamehameha Schools/Bishop Estate (KSBE), and the Democratic Party of Hawaii. KSBE opposed the use of the condemnation process, and recommended against it as an option. The department suggested an amendment to provide for increased cooperation and support in strengthening the environmental protection process.

Your Committee amended this Concurrent Resolution by:

- (1) Deleting "condemnation" as an option, due to its forceful, expensive nature, and because condemnation actions may have negative repercussions on the environment; and
- (2) Urging the department to form cooperative partnerships, which reflect a mutually beneficial agreement of land and resource protection.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee 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 the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1460 Ecology and Environmental Protection on S.R. No. 207**

The purpose of this Resolution is to establish a task force to address concerns related to sewage pollution of Waikiki area beach waters. The task force is to study the concerns related to sewage pollution and to recommend an appropriate strategy to remedy the concerns.

Testimony in support of this Resolution was received by your Committee from the Department of Health, the University of Hawaii, and several concerned area residents. The Environmental Center testified against the creation of the proposed task force.

Your Committee finds that there are concerns about water quality at Waikiki beaches due to bacterial contamination. Enterococcus and staphylococcus bacteria contamination can have a serious impact upon the health of beachgoers and ocean recreation activities, which may adversely affect the State's visitor industry. However, debate over the source of the bacterial contamination varies from theories that the organisms are caused by the leakage of sewage into the groundwater and ocean, to theories that they are caused by high densities of people swimming in Waikiki waters.

Your Committee also is of the understanding that other task forces currently exist doing work and studies in the general vicinity.

This Resolution, including its title, has been amended by your Committee to:

- (1) Broaden the scope of the task force to request that it study water quality of Waikiki area beaches to determine the cause of bacterial contamination; and
- (2) Request the task force to review and take into consideration all previous studies which address concerns related to the water quality of Waikiki area beaches.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 207, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 207, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1461 Ecology and Environmental Protection on S.C.R. No. 237**

The purpose of this Concurrent Resolution is to establish a task force to address concerns related to sewage pollution of Waikiki area beach waters. The task force is to study the concerns related to sewage pollution and to recommend an appropriate strategy to remedy the concerns.

Testimony in support of this Concurrent Resolution was received by your Committee from the Department of Health, the University of Hawaii, and several concerned area residents. The Environmental Center testified against the creation of the proposed task force.

Your Committee finds that there are concerns about water quality at Waikiki beaches due to bacterial contamination. Enterococcus and staphylococcus bacteria contamination can have a serious impact upon the health of beachgoers and ocean recreation activities, which may adversely affect the State's visitor industry. However, debate over the source of the bacterial contamination varies from theories that the organisms are caused by the leakage of sewage into the groundwater and ocean, to theories that they are caused by high densities of people swimming in Waikiki waters.

Your Committee also is of the understanding that other task forces currently exist doing work and studies in the general vicinity.

This Concurrent Resolution, including its title, has been amended by your Committee to:

- (1) Broaden the scope of the task force to request that it study water quality of Waikiki area beaches to determine the cause of bacterial contamination; and
- (2) Request the task force to review and take into consideration all previous studies which address concerns related to the water quality of Waikiki area beaches.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 237, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 237, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1462 Ecology and Environmental Protection on S.R. No. 215**

The purpose of this Resolution is to study the need for more stringent water quality testing of drinking water and groundwater in the State.

Your Committee received testimony on this Resolution from the Department of Health and from a concerned private citizen.

The department's testimony indicated that it is currently utilizing U.S. Environmental Protection Agency (EPA) mandated analytical testing methods, which are defined by EPA as "state-of-the-art." Water suppliers, both public and

private, must test their water as mandated by EPA. The State, through the department, provides a service to the water suppliers by providing analytical testing; the department is building its new testing laboratory, which should go on-line shortly.

As part of the department's monitoring and testing program, water well contamination maps of each island are provided. In addition, when the presence of new contaminants in a public water system is confirmed, press releases are issued by the department.

Your Committee finds that the department's guidelines exceed EPA standards; its new laboratory will increase its analytical testing capability and capacity. Your Committee is strongly in favor of maintaining the quality of the State's water reserves at their present level, at a minimum, and recognizes the need for providing financial support for the department's initiatives and programs in this very crucial area.

The State has already felt the consequence of not providing adequate financial support for the Safe Drinking Water Program. As of August 25, 1994, the EPA notified then Governor John Waihee that it intended to initiate proceedings to withdraw primacy from the department. Hawaii once possessed a nationally recognized drinking water program which other state jurisdictions emulated. However, due to the lack of a financial commitment by the previous administration, public health protection efforts have suffered. The loss of primacy to the EPA will adversely impact public health protection efforts because: (1) the EPA will take over administration of the program; and (2) the State will lose federal funding.

If the EPA administers the program, it will limit its efforts strictly to data compilation and enforcement efforts. Its program will not include activities related to immediate responses to contamination of water.

The loss of federal funding will reduce or eliminate the State's capability to monitor drinking water quality, assess water quality data, lend technical assistance, respond to emergency situations which may arise in water systems, and other actions to prevent public exposure to contamination.

Additionally, the loss of primacy will result in the loss of flexibility in determining criteria for enforcement. Because Hawaii is hydrologically and geologically very different from the U.S. mainland, many of the federal program requirements are not practical or of any health benefit to implement. The State currently takes a proactive role in enforcement actions, choosing to find solutions to problems with water suppliers who may be in violation, rather than assessing fines. The EPA does not necessarily take this view.

Another disadvantage of losing primacy is based on geography: the Region IX Office of the EPA, which would have jurisdiction over the Safe Drinking Water Program if primacy is lost, is located in San Francisco. Immediate actions to reduce public exposure to contaminants and notification of the affected water system users would be logistically difficult.

This Resolution has been amended by your Committee by removing the request for studying the feasibility of implementing more stringent water quality testing methods, and by removing the public notification requirements requested by this Resolution, as it is already being done by the department. This Resolution has been further amended to demonstrate the Senate's support for providing more financial support for the department's Drinking Water Branch in its water monitoring and testing efforts. Finally, your Committee has amended this measure by requesting that the department coordinate and communicate with the various county water departments and boards to more efficiently protect our water resources.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 215, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 215, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Ikeda).

**SCRep. 1463      Ecology and Environmental Protection on S.C.R. No. 246**

The purpose of this Concurrent Resolution is to study the need for more stringent water quality testing of drinking water and groundwater in the State.

Your Committee received testimony on this Concurrent Resolution from the Department of Health and from a concerned private citizen.

The department's testimony indicated that it is currently utilizing U.S. Environmental Protection Agency (EPA) mandated analytical testing methods, which are defined by EPA as "state-of-the-art." Water suppliers, both public and private, must test their water as mandated by EPA. The State, through the department, provides a service to the water suppliers by providing analytical testing; the department is building its new testing laboratory, which should go on-line shortly.

As part of the department's monitoring and testing program, water well contamination maps of each island are provided. In addition, when the presence of new contaminants in a public water system is confirmed, press releases are issued by the department.

Your Committee finds that the department's guidelines exceed EPA standards; its new laboratory will increase its analytical testing capability and capacity. Your Committee is strongly in favor of maintaining the quality of the State's water reserves at their present level, at a minimum, and recognizes the need for providing financial support for the department's initiatives and programs in this very crucial area.

The State has already felt the consequence of not providing adequate financial support for the Safe Drinking Water Program. As of August 25, 1994, the EPA notified then Governor John Waihee that it intended to initiate proceedings to withdraw primacy from the department. Hawaii once possessed a nationally recognized drinking water program which other state jurisdictions emulated. However, due to the lack of a financial commitment by the previous administration, public health protection efforts have suffered. The loss of primacy to the EPA will adversely impact public health protection efforts because: (1) the EPA will take over administration of the program; and (2) the State will lose federal funding.

If the EPA administers the program, it will limit its efforts strictly to data compilation and enforcement efforts. Its program will not include activities related to immediate responses to contamination of water.

The loss of federal funding will reduce or eliminate the State's capability to monitor drinking water quality, assess water quality data, lend technical assistance, respond to emergency situations which may arise in water systems, and other actions to prevent public exposure to contamination.

Additionally, the loss of primacy will result in the loss of flexibility in determining criteria for enforcement. Because Hawaii is hydrologically and geologically very different from the U.S. mainland, many of the federal program requirements are not practical or of any health benefit to implement. The State currently takes a proactive role in enforcement actions, choosing to find solutions to problems with water suppliers who may be in violation, rather than assessing fines. The EPA does not necessarily take this view.

Another disadvantage of losing primacy is based on geography: the Region IX Office of the EPA, which would have jurisdiction over the Safe Drinking Water Program if primacy is lost, is located in San Francisco. Immediate actions to reduce public exposure to contaminants and notification of the affected water system users would be logistically difficult.

This Concurrent Resolution has been amended by your Committee by removing the request for studying the feasibility of implementing more stringent water quality testing methods, and by removing the public notification requirements requested by this Concurrent Resolution, as it is already being done by the department. This Concurrent Resolution has been further amended to demonstrate the Senate's support for providing more financial support for the department's Drinking Water Branch in its water monitoring and testing efforts. Finally, your Committee has amended this measure by requesting that the department coordinate and communicate with the various county water departments and boards to more efficiently protect our water resources.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 246, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 246, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ikeda).

#### **SCRep. 1464      Housing on S.R. No. 146**

The purpose of the this Resolution is to request all state and county agencies to seriously and earnestly revisit the problem areas of housing development and to work together in the interest of the public to implement the statutory provisions and legislative intent of Act 227, Session Laws of Hawaii 1992, and to make it easier, less time consuming, and less expensive to produce housing in Hawaii.

Testimony in support of this measure was submitted by The Estate of James Campbell, C. Brewer Homes, Inc., Land Use Research Foundation of Hawaii, Gentry Homes Ltd., The Chamber of Commerce of Hawaii, and a concerned private citizen.

Testimony revealed, that with respect to housing, Hawaii is among one of the most expensive areas in the United States. As in all developments, delays mean higher costs which are ultimately passed on to the consumer. Hawaii's multi-year approval process does not compare favorably with national norms of a year or less. Obviously, we have much further to go before we can hope to streamline our permit process comparable to that in other jurisdictions.

Your Committee finds, that despite the enactment of Act 227, Session Laws of Hawaii 1992, which was intended to reduce the amount of time that government agencies took to process housing projects, there still is much more that needs to be done. With the high costs associated with land and building in Hawaii, this measure pursues the effort to hold down costs and speed up production.

Your Committee has amended this Resolution to remove references to Act 261, Session Laws of Hawaii 1994. Act 261 only amended section 1 of Act 227 and allows for a ninety-day extension for contested case hearings. Reference to Act 261 in the context of this Resolution is not relevant.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 146, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 146, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chumbley, Holt).

#### **SCRep. 1465      Housing on S.C.R. No. 167**

The purpose of the this Concurrent Resolution is to request all state and county agencies to seriously and earnestly revisit the problem areas of housing development and to work together in the interest of the public to implement the

statutory provisions and legislative intent of Act 227, Session Laws of Hawaii 1992, and to make it easier, less time consuming, and less expensive to produce housing in Hawaii.

Testimony in support of this measure was submitted by The Estate of James Campbell, C. Brewer Homes, Inc., Land Use Research Foundation of Hawaii, Gentry Homes Ltd., The Chamber of Commerce of Hawaii, and a concerned private citizen.

Testimony revealed, that with respect to housing, Hawaii is among one of the most expensive areas in the United States. As in all developments, delays mean higher costs which are ultimately passed on to the consumer. Hawaii's multi-year approval process does not compare favorably with national norms of a year or less. Obviously, we have much further to go before we can hope to streamline our permit process comparable to that in other jurisdictions.

Your Committee finds, that despite the enactment of Act 227, Session Laws of Hawaii 1992, which was intended to reduce the amount of time that government agencies took to process housing projects, there still is much more that needs to be done. With the high costs associated with land and building in Hawaii, this measure pursues the effort to hold down costs and speed up production.

Your Committee has amended this Concurrent Resolution to remove references to Act 261, Session Laws of Hawaii 1994. Act 261 only amended section 1 of Act 227 and allows for a ninety-day extension for contested case hearings. Reference to Act 261 in the context of this Concurrent Resolution is not relevant.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 167, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 167, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chumbley, Holt).

**SCRep. 1466      Housing on S.R. No. 238**

The purpose of this Resolution is to request Hawaii Finance and Development Corporation (HFDC) to grant a lease of thirty years at \$1.00 per year for a vacant lot adjacent to the Waipahu United Church of Christ to develop and operate a respite care service center.

Favorable testimony was submitted by the Waipahu United Church of Christ and a private citizen. HFDC testified in opposition explaining that the parcel is an integral part of the Crown Elderly Housing Project which is being developed and paid for in phases. There is currently a short fall and HFDC must recapture the balance of all development costs from revenue from the remaining phases, including the subject parcel.

Notwithstanding HFDC's opposition, testimony revealed that there may be a great need for such a respite care service center as evidenced by the tremendous growth of senior citizens in the Waipahu area and in the Leeward area in general. The church is often contacted by families and agencies attempting to find respite care in their community.

Your Committee feels that HFDC should add this resolution to its list as another option to consider for use of the vacant parcel for a worthy cause.

Your Committee has amended the resolution by:

- (1) Amending the title to reflect the correct name of HFDC and to more accurately state the request being made of HFDC; and
- (2) Making a technical nonsubstantive amendment for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.R. No. 238, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 238, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chumbley, Holt).

**SCRep. 1467      Housing on S.C.R. No. 277**

The purpose of this Concurrent Resolution is to request Hawaii Finance and Development Corporation (HFDC) to grant a lease of thirty years at \$1.00 per year for a vacant lot adjacent to the Waipahu United Church of Christ to develop and operate a respite care service center.

Favorable testimony was submitted by the Waipahu United Church of Christ and a private citizen. HFDC testified in opposition explaining that the parcel is an integral part of the Crown Elderly Housing Project which is being developed and paid for in phases. There is currently a short fall and HFDC must recapture the balance of all development costs from revenue from the remaining phases, including the subject parcel.

Notwithstanding HFDC's opposition, testimony revealed that there may be a great need for such a respite care service center as evidenced by the tremendous growth of senior citizens in the Waipahu area and in the Leeward area in general. The church is often contacted by families and agencies attempting to find respite care in their community.

Your Committee feels that HFDC should add this resolution to its list as another option to consider for use of the vacant parcel for a worthy cause.

Your Committee has amended the resolution by:

- (1) Amending the title to reflect the correct name of HFDC and to more accurately state the request being made of HFDC; and
- (2) Making a technical nonsubstantive amendment for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.C.R. No. 277, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 277, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chumbley, Holt).

**SCRep. 1468      Ways and Means on S.C.R. No. 87**

The purpose of this concurrent resolution is to request the governor to develop new methods of communicating with the legislature prior to restricting or reducing funds allocated to programs or budgetary items by the legislature in the state budget.

Your Committee finds that when the legislature authorizes and appropriates funds for various programs in the state budget, it does so, after holding public hearings and receiving public input, for the purpose of fulfilling its constitutional functions and achieving its priorities and objectives. However, governors in the past have reduced or refused to expend funds designated for various programs in the budget without first consulting the legislature.

Your Committee finds that this past practice of not consulting the legislature in these matters reflects a lack of respect for the decisions of a coordinate, co-equal branch of government. This practice is especially troublesome given the fact that the governor's decisions to restrict or reduce funding to government programs are made without public participation. The necessity for clear and creative methods of communication by the governor with the legislature is especially important during the current fiscal year, in which the State is faced with an estimated \$350,000,000 budget shortfall. Your Committee encourages the new administration to communicate and work cooperatively with the legislature to ensure the facilitation of responsible, democratic government in Hawaii.

Your Committee has amended this concurrent resolution to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 87, S.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 87, S.D. 2.

No record of votes available for this committee report.

**SCRep. 1469      Ways and Means on S.C.R. No. 103**

The purpose of this concurrent resolution is to request the United States Environmental Protection Agency (EPA) to conduct a risk-analysis study and investigation as it deems appropriate in evaluating the environmental and health claims made by members of the Puna community in Hawaii with respect to geothermal development.

Your Committee finds that there have been incidents of accidental hydrogen sulfide emissions at the Puna Geothermal Venture facility on the island of Hawaii. Because hydrogen sulfide is known to be harmful to the health of human beings, these accidental emissions and the fear of further emissions have been the cause of concern for residents of the area.

Your Committee feels that the EPA can be greatly aided in its study by local environmental and health expertise available in the department of health. Accordingly, your Committee has amended this concurrent resolution to request the department of health in addition to the department of land and natural resources to assist the EPA in its study.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103, S.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 103, S.D. 2.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1470      Ways and Means on S.C.R. No. 136**

The purpose of this concurrent resolution is to request the National Marine Fisheries Service to keep the State abreast of future studies and findings on the causes of and cure for fibropapilloma.

This concurrent resolution recognizes that fibropapilloma is a serious threat to Hawaii's green sea turtle, a species protected by both state and federal statutes. The resolution also supports in principle the allocation of state funds for further research into the causes and cure for fibropapilloma.

Hawaii's green sea turtle or "honu," and hawksbill sea turtle are recognized as threatened and endangered, respectively. Both, however, are afflicted by a mysterious and fatal disease of unknown cause known as fibropapilloma. The National Marine Fisheries Service has taken the lead by establishing a sea turtle recovery plan that tags, releases, and recovers green sea turtles. However, there is as yet insufficient research into the causes of and cure for fibropapilloma.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 136, S.D. 1, and recommends its adoption.

No record of votes available for this committee report.

**SCRep. 1471      Ways and Means on S.C.R. No. 158**

The purpose of this concurrent resolution is to request the employees' retirement system to study the impact on the retirement system of raising the percentage factors in the retirement benefits formulas for noncontributory and contributory employees.

Specifically, this concurrent resolution asks that a study be made of two proposals in raising the percentage factors. One proposal is to raise the percentage factor for calculation of retirement benefits for noncontributory employees from one and one-fourth per cent to one and two-fifths per cent, of average final compensation for each year of credited service with an equitably equivalent increase for contributory employees.

The second proposal is to raise the percentage factor for noncontributory employees from one and one-fourth per cent to one and one-half per cent, with an equitably equivalent increase for contributory employees.

Your Committee finds that a retirement compensation of approximately sixty-seven per cent of the gross income prior to retirement is necessary for one to live comfortably in retirement. Under the present retirement systems, though, the retirement incomes constitute a significantly smaller percentage. Furthermore, if the trend of diminishing Social Security benefits continues, the gap will continue to widen between benefits under the retirement system and the optimal level of benefits.

Accordingly your Committee believes that the present formulas for contributory and noncontributory employees should be re-examined in order to ensure that State and county employees may live reasonably comfortably during their retirement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1472      Ways and Means on S.C.R. No. 190**

The purpose of this concurrent resolution is to request the legislative reference bureau to investigate the State's and the counties' future actuarial liability for employer retiree contributions to the public employees health fund.

Hawaii is only one of a handful of states that fully fund the cost of medical coverage for retirees and their dependents. In fact, the cost of such coverage for retired public employees is double the cost for active public employees. The health care liabilities of all public employees, both state and county, are not prefunded. The State's liability had risen to \$953,000,000 as of 1988.

Upon further consideration, however, your Committee has determined that the legislative reference bureau is not the appropriate agency to handle this study because the bureau does not have the funds necessary for consultation with actuaries as required for this study. Your Committee has therefore amended this concurrent resolution, including the title, to request the auditor, rather than the legislative reference bureau, to conduct this study of actuarial liability. Your Committee has also made technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190, S.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 190, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1473      Ways and Means on S.C.R. No. 203**

The purpose of this concurrent resolution is to request the auditor to study the State's processing of state employees' workers' compensation claims.

Specifically, this resolution requests the auditor to study methods to improve efficiency, cost-effectiveness, and accountability in the processing of claims. Additionally, the auditor is requested to study certain actuarial factors to enable the State to comply with federal reporting requirements on state liabilities. Finally, the auditor is requested to make recommendations for improvements.

Your Committee finds that the State's processing of its own employees' workers' compensation claims is decentralized, benefit payments are made from multiple special funds in addition to the state general fund, no reserve funds exist for

either future or unpaid long-term liabilities, there is an overload of claims that invite hasty resolutions, and no incentives exist for agencies to actively participate in workplace safety programs.

Accordingly, your Committee believes that an auditor's study is most appropriate at this time in order to audit the mechanism in place for the processing of claims and the expenditure of funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 203, S.D. 1 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**S.C.Rep. 1474      Ways and Means on S.C.R. No. 236**

The purpose of this concurrent resolution is to request the legislative reference bureau to conduct a study of student discipline.

Specifically, this concurrent resolution requests the bureau to:

- (1) Review the content of chapter 8-19, Hawaii Administrative Rules, in light of the compulsory school attendance law, relevant criminal laws, and recent public education reform initiatives to provide more autonomy and flexibility to individual schools;
- (2) Survey other public school jurisdictions for student discipline laws and policies that could be implemented in Hawaii; and
- (3) Consult with the attorney general and the prosecuting attorney of each county to identify relevant legal issues related to student discipline; and
- (4) Report its findings and recommendations to the Legislature not less than twenty days prior to the convening of the Regular Session of 1996.

Although it believes that state policies and laws concerning the disciplining of students should be consistent with recent public education reform initiatives to provide more autonomy and flexibility to individual schools, your Committee is also aware that these policies and laws must be consistent with federal civil rights and education laws.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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.

No record of votes available for this committee report.

**S.C.Rep. 1475      Ways and Means on S.C.R. No. 266**

The purpose of this concurrent resolution is to request the legislative reference bureau to conduct a feasibility study with respect to transferring the traffic violations bureau (TVB) to the various counties.

Your Committee finds that the TVB was established during a period when traffic offenses were considered to be criminal offenses. The enactment of Act 214, Session Laws of Hawaii 1994, however, decriminalized all but the most serious traffic offenses, thereby significantly altering the procedure used for the processing of traffic citations.

Your Committee finds that since the TVB's role has been significantly changed by traffic decriminalization, certain functions presently being performed by the TVB may be more appropriately transferred from the judiciary to the counties. The transfer of the functions of the bureau to the counties may help to streamline government functions, thereby reducing bureaucracy, decreasing costs, and increasing government efficiency.

Your Committee further finds that there is a need to review the role which the TVB currently plays. Your Committee finds that although the TVB is referred to in the Hawaii Revised Statutes (HRS), that office was not established by statute upon the transfer of the bureau from the counties to the State. The role of the TVB has therefore never been clearly specified by statute.

Upon further consideration, your Committee has therefore amended this concurrent resolution by:

- (1) Noting that the TVB was not established by statute, and requesting a review of the TVB's role and function;
- (2) Requesting a review of the possible transfer of the TVB's functions from the judiciary to the counties; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 266, as amended herein, and recommends its adoption, in the form attached hereto as S.C.R. No. 266, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1476      Ways and Means on S.C.R. No. 295**

The purpose of this concurrent resolution is to promote environmental education in the community.

State agencies and departments have been developing environmental policy for their own purposes for some time. This expertise could be extended to promote and support environmental education throughout the community.

Your Committee finds that state departments and agencies are excellent resources for environmental education. The promotion of comprehensive environmental education initiatives could result in environmentally literate citizens that would contribute to a high quality environment for future generations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 295, S.D. 1 and recommends its adoption.

No record of votes available for this committee report.

**SCRep. 1477      Executive and Judicial Appointments on Gov. Msg. No. 130**

Recommending that the Senate advise and consent to the nomination of EARL I. ANZAI as Director of Finance, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1478      Executive and Judicial Appointments on Gov. Msg. No. 138**

Recommending that the Senate advise and consent to the nomination of LORRAINE H. AKIBA as Director of Labor and Industrial Relations, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1479      Executive and Judicial Appointments on Gov. Msg. No. 139**

Recommending that the Senate advise and consent to the nomination of MICHAEL D. WILSON as Chairperson, Board of Land and Natural Resources, term to expire December 31, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1480      Consumer Protection on S.R. No. 142**

The purpose of this Resolution is to request the Governor's assistance for Hawaii's travel agents.

Travel agents play an important role in Hawaii's small business community, but have suffered financially with the dropping airfare prices. Recently, certain airlines have announced commission caps on tickets which would force many travel agents out of business or drastically reduce jobs and enact layoffs.

Your Committee received testimony in support of this Resolution from the Department of Business, Economic Development, and Tourism, and a host of travel agencies and travel representatives.

Your Committee has amended this Resolution by adding language which requests the Governor to also support alternatives which include reducing the overall commission to 8 per cent without a cap, leaving a cap on coach fares but not on business and first class, requesting the airlines to condone ticket-splitting, and requesting the airlines accept Hawaii as an international destination.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 142, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 142, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Aki).

**SCRep. 1481      Human Services on H.C.R. No. 219**

The purpose of this Concurrent Resolution is to request the President of the United States to convene a White House conference on children and youth in 1996.

Poverty is a problem of growing proportions in America that impacted nearly 14,000,000 children in 1992. Abuse and neglect in 1992 affected an estimated 2,900,000 children and is rising.

Your Committee believes that there is a need for this country to make the health, safety, and welfare of children and youth a national priority. Policy makers, advocates, and parents must meet on a national level to discuss strategies for

aiding children and youth in America. A White House conference on children and youth would serve this purpose. The last conference was convened more than twenty years ago.

The time is now ripe for another conference, given the current ongoing national debates over health care, welfare, and education reform and Congressional efforts to balance the federal budget by cutting back on programs for children and youth through consolidating social service programs into block grants to the states.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 1482 Executive and Judicial Appointments on Gov. Msg. No. 132**

Recommending that the Senate advise and consent to the nomination of KATHRYN S. MATAYOSHI as Director of Commerce and Consumer Affairs, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1483 Executive and Judicial Appointments on Gov. Msg. No. 259**

Recommending that the Senate consent to the nomination of JOHN S.W. LIM for 7th 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 the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1484 Executive and Judicial Appointments on Gov. Msg. No. 260**

Recommending that the Senate consent to the nomination of SABRINA S. MCKENNA for 22nd Judge of the Circuit Court of the First Circuit, for a term of ten years in accordance with the provision of Article VI, Section 3, of the Constitution of the State of Hawaii.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1485 Executive and Judicial Appointments on Gov. Msg. No. 261**

Recommending that the Senate consent to the nomination of WALTER S. KIRIMITSU for Associate Judge, Intermediate Appellate Court, 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 the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1486 Executive and Judicial Appointments on Gov. Msg. Nos. 168, 169, 170, 171, 172, 173, 174, 175, 176, 180, 203, 204, 205, 206, 207, 210, 218, 219, 220, 221, 222, 223, 224, 225.**

Recommending that the Senate advise and consent to the nominations of the following:

MAUERE BERNABE to the Governor's Advisory Counsel for Children and Youth, term to expire June 30, 1997 (Gov. Msg. No. 168);

JACK LAW to the Civil Rights Commission, term to expire June 30, 1996 (Gov. Msg. No. 169);

GLADYS M. KOTAKI to the Civil Service Commission, term to expire June 30, 1995 (Gov. Msg. No. 170);

GLADYS M. KOTAKI to the Civil Service Commission, term to expire June 30, 1999 (Gov. Msg. No. 170);

RICHARD C. BOTTI, GENE BURK, Ph.D., JANIE DEUSER, CORBETT A.K. KALAMA, C. KEVIN MCCRARY and GENEVIEVE K.Y. SALMONSON to the Clean Hawaii Center Governing Board, terms to expire June 30, 1996 (Gov. Msg. No. 171);

TODD K. INAFUKU to the Drug Product Selection Board, term to expire June 30, 1998 (Gov. Msg. No. 172);

WAYNE MATSUO to the Hawaii Community Development Authority, term to expire June 30, 1996 (Gov. Msg. No. 173);

STEPHEN E. GOMES to the Board of Directors of the Hawaii Hurricane Relief Fund, term to expire June 30, 1997 (Gov. Msg. No. 174);

PHILIP JOSEPH BOSSERT, Ph.D., to the Board of Directors of the Hawaii Information Network Corporation (Hawaii Inc.), term to expire June 30, 1996 (Gov. Msg. No. 175);

ROSE MARIE H. DUEY to the Board of Human Services, term to expire June 30, 1995 (Gov. Msg. No. 176);

ALFRED WONG to the Commission on Transportation, term to expire June 30, 1999 (Gov. Msg. No. 180);

WILLIAM D. HOSHIJO to the Civil Rights Commission, term to expire June 30, 1999 (Gov. Msg. No. 203);

AGNES P. PERREIRA to the Civil Service Commission, term to expire June 30, 1999 (Gov. Msg. No. 204);

JEFF J. COELHO to the Convention Center Authority, term to expire June 30, 1999 (Gov. Msg. No. 205);

JUDY SOBIN to the Criminal Injuries Compensation Commission, term to expire June 30, 1999 (Gov. Msg. No. 206);

MEYER M. UEOKA to the Education Commission of the State, term to expire June 30, 1998 (Gov. Msg. No. 207);

ROSS K. KAGAWA to the Stadium Authority, term to expire June 30, 1996 (Gov. Msg. No. 210);

RONALD C. WO to the Board of Directors, Aloha Tower Development Corporation, term to expire June 30, 1999 (Gov. Msg. No. 218);

BARBARA M. KOKUBUN to the Board of Barbers, term to expire June 30, 1999 (Gov. Msg. No. 219);

EIICHI JUMAWAN to the State Boxing Commission of Hawaii, term to expire June 30, 1999 (Gov. Msg. 220);

LINDSEY J. KIMURA, D.C., to the State Board of Chiropractic Examiners, term to expire June 30, 1999 (Gov. Msg. No. 221);

GABRIEL K. KILAKALUA JR. and ALBERT "BENNY" RODERO to the Civil Defense Advisory Council, terms to expire June 30, 1999 (Gov. Msg. No. 222);

EDNA H. KANO to the Board of Cosmetology, term to expire June 30, 1999 (Gov. Msg. No. 223);

BARTON M. SAXTON, RALPH Y. FUJINAKA and MILTON W.Y. LUM to the Credit Union Review Board, terms to expire June 30, 1999; and

PAULA ZOE HELFRICH to the State Foundation on Culture and the Arts, term to expire June 30, 1998 (Gov. Msg. No. 225).

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fernandes Salling).

**SCRep. 1487 Higher Education, Culture, and Arts on H.C.R. No. 87**

The purpose of this Concurrent Resolution is to establish a State of Hawaii Archaeology Week to be celebrated in the month of April of every year.

Your Committee finds that establishing a State of Hawaii Archaeology Week would enhance public awareness of Hawaiian archaeology as well as encourage the protection of Hawaii's unique and fragile cultural resources.

Your Committee finds that the department of land and natural resources (DLNR) is more than willing to coordinate a State of Hawaii Archaeology Week but admits it does not have the resources to implement such an undertaking alone. DLNR recognizes that several persons and organizations need to work together to implement a State of Hawaii Archaeology Week to ensure its success. Therefore, your Committee has amended this Concurrent Resolution with regard to the responsibility of the DLNR to implement State of Hawaii Archaeology Week, by deleting the words "and implementation" from this Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87, H.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 87, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, Iwase).

**SCRep. 1488 Executive and Judicial Appointments on Gov. Msg. Nos. 177, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245.**

Recommending that the Senate advise and consent to the nominations of the following:

COLBERT M. MATSUMOTO to the Board of Land and Natural Resources, term to expire June 30, 1998 (Gov. Msg. No. 177);

BRIAN L. SEN to the Board of Trustees, Deferred Compensation Plan, term to expire June 30, 1999 (Gov. Msg. No. 226);

THEODORE I. SAKAI to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances, term to expire June 30, 1996 (Gov. Msg. No. 227);

GABRIEL BEMIS BATZER, M.D., AMY I. ESAKI, THOMAS H. KAAIAI, JR., and GEORGE W. READ, Ph.D., to the Hawaii Advisory Commission on Drug Abuse and Controlled Substance, terms to expire June 30, 1999 (Gov. Msg. No. 227);

GARY M. TAKAHASHI and THEODORE J. YAP to the Elevator Mechanics Licensing Board, terms to expire June 30, 1999 (Gov. Msg. No. 228);

KOREN K. KUBOTA to the Board of Trustees, Employees' Retirement System, term to expire January 1, 2001 (Gov. Msg. No. 229);

JOAN C. ISHIBASHI to the Board of Trustees, Hawaii Public Employees Health Fund, term to expire June 30, 1996 (Gov. Msg. No. 230);

GEORGE BUTTERFIELD, RITVA SINIKKA HAYASAKA and JOHN J. WITECK to the Board of Trustees, Hawaii Public Employees Health Fund, terms to expire June 30, 1999 (Gov. Msg. No. 230);

SANDRA K.M. ALBANO, WAYNE K. KATAYAMA, DONN J. TAKAHASHI, CHA THOMPSON and GAE BERGQUIST TROMMALD to the Hawaii Tourism Marketing Council, terms to expire June 30, 1999 (Gov. Msg. No. 231);

LIBBY PULELEHUA OSHIYAMA, ALAN T. SUYAMA, M.D., and LILY H. YAMASHIRO to the Board of Health, terms to expire June 30, 1999 (Gov. Msg. No. 232);

ROY R. KAMISATO to the Board of Hearing Aid Dealers and Fitters, term to expire June 30, 1998 (Gov. Msg. No. 233);

MARY NORMA ALLISON, EDWIN S. MATSUI and JACQUELINE KOMO MURAI to the Board of Hearing Aid Dealers and Fitters, terms to expire June 30, 1999 (Gov. Msg. No. 233);

THOMAS I. FUJIKAWA, RICHARD A. MOODY and NORMAN H. OKAMURA, Ph.D., to the Board of Directors, High Technology Development Corporation, terms to expire June 30, 1999 (Gov. Msg. No. 234);

ALIKA W. WINCHESTER to the Board of Human Services, term to expire June 30, 1997 (Gov. Msg. No. 235);

ANGEL RAMOS to the Board of Human Services, term to expire June 30, 1999 (Gov. Msg. No. 235);

CRAIG AARON NEFF and BRIAN MISKAE to the Kaho'olawe Island Reserve Commission, terms to expire June 30, 1999 (Gov. Msg. No. 236);

HAROLD H. MEHEULA, SR., to the Kaneohe Bay Regional Council, term to expire June 30, 1998 (Gov. Msg. No. 237);

IVAN I. NAKANO to the Motor Vehicle Industry Licensing Board, term to expire June 30, 1997 (Gov. Msg. No. 238);

MARK S. OSHIO and LEILA C. TANAKA to the Motor Vehicle Industry Licensing Board, terms to expire June 30, 1999 (Gov. Msg. No. 238);

SUSUMU MAEDA and TAREN TAGUCHI to the Motor Vehicle Repair Industry Board, terms to expire June 30, 1999 (Gov. Msg. No. 239);

ROBERT A. KINZIE III, Ph.D., to the Natural Area Reserves System Commission, term to expire June 30, 1996 (Gov. Msg. No. 240);

LINDA W. PRATT to the Natural Area Reserves System Commission, term to expire June 30, 1998 (Gov. Msg. No. 240);

FAITH Y. LEBB to the Board of Examiners in Naturopathy, term to expire June 30, 1999 (Gov. Msg. No. 241);

MILTON N. HIGA to the Board of Examiners in Optometry, term to expire June 30, 1998 (Gov. Msg. No. 242);

BARBARA J. DIRKS, O.D., MARK S. TERUYA, O.D., and NELSON O. YOSHIOKA, JR., O.D., to the Board of Examiners in Optometry, terms to expire June 30, 1999 (Gov. Msg. No. 242);

RONALD Y. FUJIMOTO, D.O., to the Board of Osteopathic Examiners, term to expire June 30, 1999 (Gov. Msg. No. 243);

KENT KOIKE and JASON MOON to the Board of Pharmacy, terms to expire June 30, 1999 (Gov. Msg. No. 244); and

WAYNE G. CARVALHO to the Board of Private Detectives and Guards, term to expire June 30, 1997 (Gov. Msg. No. 245).

Signed by the Chairman on behalf of the Committee.

(Gov. Msg. No. 177) - Ayes, 5. Noes, none. Excused, 2 (Holt, Grauly)

(Gov. Msg. Nos. 226-245) - Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Holt).

(Gov. Msg. No. 234 - Norman H. Okamura, reconsideration of previous decision) - Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Holt, Liu).

**SCRep. 1489      Agriculture, Labor, and Employment on H.C.R. No. 151**

The purpose of this Concurrent Resolution is to promote, encourage, and advocate diversified agricultural activities on lands taken out of sugar and pineapple production.

Your Committee finds that the measure requests the Department of Agriculture, in cooperation with other state and county agencies and agricultural landowners and corporations, to take steps to set goals and levels to reduce Hawaii's dependency on out-of-state sources for agricultural food products within specified time frames.

Your Committee also finds that Hawaii's inability to provide more agricultural products for its citizens makes the State vulnerable to price increases and product shortages, while the size of Hawaii's population makes it too small to create market leverage with out-of-state suppliers.

Your Committee believes that promoting the proliferation of diversified agriculture in the State will help alleviate this problem and result in increased price stability and better product quality and freshness for the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 151, H.D. 2, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1490      Agriculture, Labor, and Employment on H.C.R. No. 153**

The purpose of this Concurrent Resolution is to urge the U.S. Department of Agriculture to consider the effect of, and exclude the State of Hawaii from, federal legislation that would have a detrimental impact on Hawaii's environment.

Your Committee finds that because Hawaii is an island state, it is isolated from many of the pests and diseases that plague other states. The introduction of any pest or disease has the potential to cause immense harm to Hawaii's ecosystem and is a grave threat to Hawaii's agricultural industry. Thus, the basis of the State of Hawaii's stringent quarantine regulations is to protect Hawaii from the infestation and threat of these pests and diseases and to protect the health and safety of residents.

Your Committee also finds that the U.S. Department of Agriculture's ability to preempt state laws has created a significant problem for Hawaii in that most federal quarantines benefit the continental U.S. and not necessarily Hawaii and such preemptive federal legislation could detrimentally impact on Hawaii's environment and economy by undermining the State of Hawaii's longstanding risk assessment and review system on preventing the introduction of harmful pests and diseases into the State.

Your Committee therefore believes that necessary measures must be taken to ensure that the federal government is cognizant of the State's concerns and that the adoption of this measure is in the best interest of the citizens, businesses, and environment of Hawaii.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 153, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1491      Agriculture, Labor, and Employment on H.C.R. No. 210**

The purpose of this Concurrent Resolution is to request the Agribusiness Development Corporation to develop a pilot project for agricultural and economic development on vacant sugar lands.

Specifically, the project will include:

- (1) Growing corn on at least 1,000 acres of vacant sugar lands;
- (2) Developing ethanol for such by-products as animal feed; and
- (3) Other economically-viable agricultural and economic development projects.

Your Committee finds that with the closure of the sugar plantations, a tremendous amount of fertile land will be available for Hawaii commerce and economic growth. These vacant lands provide an unlimited opportunity to introduce Hawaii into new industries both agricultural and industrial. One such possibility is the the production of corn for ethanol production and animal feed. This Concurrent Resolution addresses this possibility.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 210 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1492 (Joint) Agriculture, Labor, and Employment and Ecology and Environmental Protection on H.C.R. No. 278**

The purpose of this Concurrent Resolution is to request the U.S. Congress, the U.S. Department of Defense, the U.S. Department of the Interior, the U.S. Department of Agriculture, and the Territory of Guam to assist in the development and implementation of an integrated pest management control program to prevent the spread of the brown tree snake.

Your Committees recognize that the huge potential problem that brown tree snake infestation would create in Hawaii reaches beyond the confines of the State and a coordinated federal effort is needed to keep this problem from escalating into an environmental catastrophe.

Your Committees have amended the measure by clarifying in the transmittal clause that the proper name of the U.S. House of Representatives Committee on Resources is the Committee on Natural Resources; by adding the Chairs of the U.S. House of Representatives Committee on Agriculture and the U.S. Senate Committee on Environment and Public Works to the transmittal clause; and by substituting reference to "Chairman" with "Chair".

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Ecology and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 278, as amended herein, and recommend its adoption, in the form attached hereto as H.C.R. No. 278, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Baker, Ikeda, Levin, Solomon).

**SCRep. 1493 Agriculture, Labor, and Employment on H.C.R. No. 312**

The purpose of this Concurrent Resolution is to request that major discount chains doing business in Hawaii enter into favorable marketing or distribution arrangements with Hawaii's small-scale producers, manufacturers, and distributors to sell and promote more local products, including locally-manufactured goods and locally-grown or packaged fruits, vegetables, and other produce.

The measure also requests the Department of Agriculture, in conjunction with the Department of Business, Economic Development, and Tourism, to:

- (1) Assess the problems of local producers and small businesses in dealing with and accessing these discount chains, including marketing and distribution arrangements and quality control specifications as set by the discount chains; and
- (2) Examine the problems or obstacles of local producers and businesses to sell and distribute their products in these discount chains.

Your Committee finds that the recent influx of major discount chains to Hawaii, while to some extent creating greater competition and in some cases lowering prices on consumer goods for Hawaii's residents, has been detrimental to some local producers and small businesses. These large stores, which include K-Mart, Sam's Club, and Costco, which sell at both wholesale and retail in the local market, often fail to buy from local suppliers of goods and produce.

Your Committee believes that pursuant to sections 226-6(b)(7) and 226-103(a)(6), Hawaii Revised Statutes, it is both the policy of the State and an economic priority guideline to help achieve a stable and diversified economy by encouraging favorable marketing or distribution arrangements at the regional or local level to assist Hawaii's small-scale producers, manufacturers, and distributors.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 312, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1494 Agriculture, Labor, and Employment on H.C.R. No. 341**

The purpose of this Concurrent Resolution is to request the Governor to convene a task force to develop a long-range action plan to assist Hawaii's farmers.

Your Committee recognizes the merits of facilitating efforts to promote diversified agriculture, develop farms, increase agricultural self-sufficiency, and protect agricultural resources. It is your Committee's belief that the convening of such a task force will be highly beneficial to Hawaii's small farmers and diversified agriculture by providing a means of sharing the collective knowledge, experiences, and skills of individuals and organizations dedicated to supporting agriculture in the State.

In recommending adoption of this measure to the full Senate, it is your Committee's intent that the Governor consider adding corporations in the State that are actively engaged in the marketing or distribution of Hawaii grown, diversified agricultural products that they be invited to participate as members as the task force, and that the practice of sustainable agriculture be included on the task force's agenda in developing agricultural strategies for the State.

As affirmed by the record of votes of the members of your Committee on Agriculture, Labor, and Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 341, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Anderson).

**SCRep. 1495      Education on H.C.R. No. 53**

The purpose of this Concurrent Resolution is to request the Board of Education, Department of Education, and school/community-based management councils to restructure the traditional school day to extend the day in a manner that is appropriate for that particular student population.

Your Committee finds that recent education system reforms have focussed on providing flexibility to individual schools to identify and address the needs of their particular student population. Your Committee further finds that extension of the school day is one alternative to meeting the growing needs of the students while at the same time maximizing the use of school facilities and staff. Your Committee notes that the related concept of year-round school has been piloted in Hawaii, and your Committee believes that the Board, Department, and the school councils should also consider this alternative as part of their restructuring efforts.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 1496      Education on H.C.R. No. 150**

The purpose of this Concurrent Resolution is to establish a violence prevention coordinating council to address the integration of violence prevention curricula in public schools.

Your Committee finds that the effects of violence in our community are reflected in the loss of both human and financial resources which could be utilized to a more positive end. Your Committee further finds that implementing a comprehensive program to teach the prevention of violence is critical to ending the cycle of violence in our community.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Matsunaga).

**SCRep. 1497      (Joint) Hawaiian Affairs and Judiciary on H.C.R. No. 223**

The purpose of this Concurrent Resolution is to form a consortium, to be coordinated by Alu Like, Inc., to:

- (1) Address the issue of over-representation of native Hawaiian youths and adults in the criminal justice system; and
- (2) Develop short- and long-range strategies to reduce the incarceration of native Hawaiians through the most cost effective means and collaborations.

Your Committee finds that native Hawaiians represent the largest number of incarcerated people in the state criminal justice system, yet they are not arrested at higher rates than any other ethnic group in this State. Furthermore, this over-representation strains native Hawaiian families in terms of lost economic and emotional support as well as increases stress within the families.

Testimony was submitted in support of this Concurrent Resolution by Alu Like, Inc. which stated that this Concurrent Resolution provides focus, legislative recognition, and needed collaboration to achieve substantial progress in addressing the problem of native Hawaiians in the criminal justice system.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 223 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Chumbley, Levin, McCartney, Anderson).

**SCRep. 1498      Economic Development on H.C.R. No. 17**

The purpose of this Concurrent Resolution is to request the Department of Business, Economic Development, and Tourism to:

- (1) Identify the departments within state government that have the greatest impact on small business in Hawaii;
- (2) Conduct a comprehensive review of state and county laws, rules, and procedures impacting small businesses generated by that department;

- (3) Identify state and county laws, rules, and procedures within those departments which hinder the expansion of small business in Hawaii; and
- (4) Develop recommendations to facilitate the removal or easing of these barriers.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Business, Economic Development, and Tourism, and the National Foundation of Independent Business.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17, H.D. 2, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Matsuura, Tam).

**SCRep. 1499      Economic Development on H.C.R. No. 198**

The purpose of this Concurrent Resolution is to request Hawaii's Congressional Delegation to identify how the federal government can promote dual-use technology and private sector participation in the dual-use subject area. The Concurrent Resolution further requests the State to help private industry be aware of the availability of dual-use funds and provide assistance as resources permit.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, and Keawe Vredenburg.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 198, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1500      Economic Development on H.C.R. No. 202**

The purpose of the Concurrent Resolution is to urge and encourage the development and exploration of alternative fuels, promote further discussion on establishing an ethanol industry in the State that will stimulate the State's economy, and reduce the State's dependency on imported fuels. The Concurrent Resolution also urges the Governor to direct the Department of Accounting and General Services to assist in the development of a local market for ethanol by requiring the use of combined ethanol fuel in its fleet of State owned vehicles.

A viable ethanol production industry in the State could be very beneficial to the State. The production of ethanol would require the utilization of sugar cane agricultural land, and be a possible replacement for the sugar industry and the jobs it had formerly provided. The usage of ethanol as an alternative form of fuel could lessen the State's dependence on imported fuel, and increase the State's self-sufficiency.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 202, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1501      Economic Development on H.C.R. No. 251**

The purpose of this Concurrent Resolution is to request the Governor to urge the Director of the Department of Business, Economic Development, and Tourism (DBEDT) and all state agencies dealing with small business to adopt a statewide policy to support small business entrepreneurs.

Testimony in support of this measure was provided by DBEDT, the Democratic Party of Hawaii, the Small Business Council, and Excellence in English.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 251, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1502      Economic Development on H.C.R. No. 252**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to work with the Hawaii Alliance for Community-Based Economic Development in developing the strategy and program plans for the creation of a Hawaii-Based Community Development Financial Institution.

DBEDT and the Office of Hawaiian Affairs testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 252 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Matsuura, Tam).

**SCRep. 1503      Economic Development on H.C.R. No. 253**

The purpose of this concurrent resolution is to provide the support of the House of Representatives to the Hawaii Delegation to the 1995 White House Conference on Small Business as they participate meaningfully and with resolve in the national conference to improve the economic climate for all small businesses.

Testimony in support of this concurrent resolution was submitted by Bette Tatum, NFIB State Director.

Your Committee has amended this measure by adding the support of the Senate, to go along with that of the House of Representatives, to the Hawaii Delegation to the 1995 White House Conference on Small Business.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 253, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 253, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tam).

**SCRep. 1504      Economic Development on H.C.R. No. 332**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism, and the High Technology Development Corporation to:

- (1) Assess the Big Island's high technology infrastructure and identify emerging opportunities, skill-base requirements, locations, and existing resources;
- (2) Establish a five-year high technology implementation plan; and
- (3) Assess the feasibility of attracting technologies to the Big Island.

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

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 332 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Matsuura, Tam).

**SCRep. 1505      (Joint) Ecology and Environmental Protection and Planning, Land and Water Use Management on H.C.R. No. 127**

The purpose of this concurrent resolution is to protect native species and wetlands, and restore the historically correct name, at Kalaeloa.

Your Committees received testimony in favor of this Concurrent Resolution from the Board of Land and Natural Resources and the Office of Hawaiian Affairs.

As affirmed by the records of votes of the members of your Committees on Ecology and Environmental Protection and Planning, Land and Water Use Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 127 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Holt, Ikeda, Tanaka).

**SCRep. 1506      Higher Education, Culture, and Arts on H.C.R. No. 124**

The purpose of this concurrent resolution is to urge the University of Hawaii to expand its teacher education programs to school districts that the Department of Education has identified as geographically isolated and having the most serious shortage of teachers.

Your Committee finds that the University of Hawaii supports this proposed legislation. It will continue its successful teacher outreach programs on Maui and Kauai and will begin to consider more sites for such programs similar to those on Maui and Kauai.

Your Committee has amended the title and body of this concurrent resolution to include language to urge the University of Hawaii to expand higher education opportunities for the neighbor island populations.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, H.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 124, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1507 Higher Education, Culture, and Arts on H.C.R. No. 137**

The purpose of this concurrent resolution is to urge the University of Hawaii to expand its outreach efforts to the neighbor islands by actively determining the needs of neighbor island residents, delivering the needed courses, programs, and degrees, and equalizing as far as possible the outreach efforts on each island.

Your Committee finds that the University has not adequately provided for the expanding demand of higher educational services in the neighbor islands in recent years. With the recent telecommunications developments within the University, meeting their needs makes it all the more feasible.

Upon further consideration, your Committee has amended the title and body of this Concurrent Resolution by substituting language to urge the Department of Business, Economic Development, and Tourism, and the University of Hawaii, to develop an action plan for the University to develop and implement programs promoting the economic development of the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 137, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1508 Higher Education, Culture, and Arts on H.C.R. No. 145**

The purpose of this concurrent resolution is to declare 1995 "The Year of the Sea Turtle" in Hawaii.

Your Committee finds that by recognizing 1995 as "The Year of the Sea Turtle," Hawaii joins fifteen active member nations of the Regional Marine Turtle Conservation Programme of the South Pacific Regional Environment Programme in bringing focus to the precipitous decline in sea turtle populations in many parts of the Pacific.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1509 Higher Education Culture, and Arts on H.C.R. No. 160**

The purpose of this concurrent resolution is to request the State Department of Accounting and General Services, Survey Division, the City and County of Honolulu Department of Land Utilization, Design and Adjustments Division, and the Office of State Planning to identify the area currently known as Barbers Point by the historically correct name of Kalaeloa when drafting future maps, charts, and other documents.

Your Committee finds that much effort has been made to use Hawaiian oral and cultural information for the naming of streets and areas in order to preserve the rich Hawaiian oral traditions that speak of the cultural and spiritual significance of a location in Hawaii. The area currently known as Barbers Point should be identified by the historically correct name of Kalaeloa to continue the effort to preserve Hawaiian oral traditions and culture.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1510 Higher Education, Culture, and Arts on H.C.R. No. 319**

The purpose of this concurrent resolution is to reaffirm the Legislature's commitment and urge the Governor and the administration of the University to continue the involvement of students in the decisionmaking process of the budget and legislative process regarding the University of Hawaii.

Your Committee finds that it is important to include student participation in the governance of the University. It provides the students with an opportunity to participate in the educational process, to contribute in public debate, and to take charge of issues that have a direct impact on them.

Testimony was submitted in support of this concurrent resolution by the University of Hawaii and the Associated Students of the University of Hawaii at Manoa.

As affirmed by the record of votes of the members of your Committee on Higher Education, Culture, and Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 319 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Ikeda, McCartney).

**SCRep. 1511      Ways and Means on S.R. No. 74**

The purpose of this resolution is to request the governor to develop new methods of communicating with the legislature prior to restricting or reducing funds allocated to programs or budgetary items by the legislature in the state budget.

Your Committee finds that when the legislature authorizes and appropriates funds for various programs in the state budget, it does so, after holding public hearings and receiving public input, for the purpose of fulfilling its constitutional functions and achieving its priorities and objectives. However, governors in the past have reduced or refused to expend funds designated for various programs in the budget. This refusal was done without first consulting the legislature.

Your Committee finds that this past practice of not consulting the legislature in these matters reflects a lack of respect for the decisions of a coordinate, co-equal branch of government. This practice is especially troublesome given the fact that the governor's decisions to restrict or reduce funding to government programs are made without public participation. The necessity for clear and creative methods of communication by the governor with the legislature is especially important during the current fiscal year, in which the State is faced with an estimated \$350,000,000 budget shortfall. Your Committee encourages the new administration to communicate and work cooperatively with the legislature to ensure the facilitation of responsible, democratic government in Hawaii.

Your Committee has amended this resolution to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 74, S.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 74, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Taniguchi, Liu).

**SCRep. 1512      Ways and Means on S.R. No. 89**

The purpose of this resolution is to request the United States Environmental Protection Agency (EPA) to conduct a risk-analysis study and investigation as it deems appropriate in evaluating the environmental and health claims made by members of the Puna community in Hawaii with respect to geothermal development.

Your Committee finds that there have been incidents of accidental hydrogen sulfide emissions at the Puna Geothermal Venture facility on the island of Hawaii. Because hydrogen sulfide is known to be harmful to the health of human beings, these accidental emissions and the fear of further emissions have been the cause of concern for residents of the area.

Your Committee feels that the EPA can be greatly aided in its study by local environmental and health expertise available in the department of health. Accordingly, your Committee has amended this resolution to request the department of health in addition to the department of land and natural resources to assist the EPA in its study.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89, S.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 89, S.D. 2.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1513      Ways and Means on S.R. No. 117**

The purpose of this resolution is to request state departments and agencies to promote and support comprehensive environmental education initiatives and programs.

Your Committee finds that expanding the public's awareness of the issues affecting Hawaii's environment is the most effective method of preventing environmental problems before they occur. Expanded public involvement in the effort to protect and maintain the quality of Hawaii's environment may even relieve the State of some of the burden involved in implementing costly corrective actions. Your Committee finds that there are various groups and organizations who are willing to collaborate with the State on implementing the education initiatives identified in this resolution. These partnerships will lead to the development of more cost-effective and efficient environmental education programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 117, S.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Taniguchi, Liu).

**SCRep. 1514      Ways and Means on S.R. No. 119**

The purpose of this resolution is to support, in principle, the allocation of state funds for further research into the cause of and cure for fibropapilloma in green sea turtles.

This resolution also recognizes that fibropapilloma is a serious threat to Hawaii's threatened green sea turtle and endangered hawksbill sea turtle. The resolution further requests the National Marine Fisheries Service to keep the State abreast of future studies and findings on the cause of and cure for fibropapilloma.

Although the extent and seriousness of fibropapilloma have been demonstrated, much more research needs to be conducted to find a way to cure the disease.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 119, S.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Taniguchi, Liu).

**SCRep. 1515      Ways and Means on S.R. No. 138**

The purpose of this resolution is to request the employees' retirement system to study the impact on the retirement system of raising the percentage factors in the retirement benefits formulas for noncontributory and contributory employees.

Specifically, this resolution asks that a study be made of two proposals in raising the percentage factors. One proposal is to raise the percentage factor for calculation of retirement benefits for noncontributory employees from one and one-fourth per cent to one and two-fifths per cent, of average final compensation for each year of credited service with an equitably equivalent increase for contributory employees.

The second proposal is to raise the percentage factor for noncontributory employees from one and one-fourth per cent to one and one-half per cent, with an equitably equivalent increase for contributory employees.

Your Committee finds that a retirement compensation of approximately sixty-seven per cent of the gross income prior to retirement is necessary for one to live comfortably in retirement. Under the present retirement systems, though, the retirement incomes constitute a significantly smaller percentage. Furthermore, if the trend of diminishing Social Security benefits continues, the gap will continue to widen between benefits under the retirement system and the optimal level of benefits.

Accordingly your Committee believes that the present formulas for contributory and noncontributory employees should be re-examined in order to ensure that State and county employees may live reasonably comfortably during their retirement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 138 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1516      Ways and Means on S.R. No. 187**

The purpose of this resolution is to request the governor to convene the Hawaii maritime industry policy advisory task force to conduct a comprehensive review of Hawaii's maritime policies.

The importance of the commercial harbors to the survival of Hawaii is well-known to the community. However, there are many competing interests that arise when managing the different uses. The water front harbor areas are becoming busier everyday without benefit of regulation or foresight.

Your Committee finds that it is in the best interest of the community to convene the Hawaii maritime industry policy advisory task force. The task force will explore issues that are related to both advantages and disadvantages of the harbor operations, in both current and future uses. Finally the task force is requested to address whether there are more efficient methods of utilizing the State's commercial harbors that may include establishing a port authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 187, S.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Kawamoto, Solomon, Tanaka, Liu).

**SCRep. 1517      (Joint) Planning, Land and Water Use Management and Ecology and Environmental Protection on H.C.R. No. 39**

The purpose of this Concurrent Resolution is to request the Office of State Planning, in cooperation with the Office of Environmental Quality Control, to adopt procedures and recommend legislation that would reduce the amount of time needed to fund and prepare an environmental impact statement.

Testimony in support of this Concurrent Resolution was received from the Office of State Planning, the Office of Environmental Quality Control, the Department of Education, the Land Use Research Foundation, and the Chamber of Commerce of Hawaii.

Your Committees note that it is not the intent of your Committees to restrict the ability of the public to participate in the chapter 343, Hawaii Revised Statutes (HRS), environmental review process, nor diminish the opportunities of the public to comment on environmental assessments and environmental impact statements.

Your Committees also note that this Concurrent Resolution should not be construed as authorizing the Office of Environmental Quality Control to adopt procedures to reduce the amount of time needed to fund and prepare an environmental impact statement which may be in contravention of existing time limitations under chapter 343, HRS.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Ecology and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 39, H.D. 1, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Holt, Ikeda, Tanaka).

**SCRep. 1518 Planning, Land and Water Use Management on H.C.R. No. 57**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to issue a lease for the private development of certain fast and submerged lands at Kawaihae, Hawaii, for Marina purposes.

This is an administration measure for the development of a small boat harbor at Kawaihae on the Big Island. This concurrent resolution will permit the building of berthing areas, utilities, roadways, and other harbor infrastructure and facilities by a private developer.

According to supporting testimony of the Board of Land and Natural Resources, the environmental considerations have been satisfied with the Final Environmental Impact Statement and the Supplemental Environmental Assessment. In addition, a "Memorandum of Agreement for Protection and Preservation of Historic Properties Near Kawaihae Harbor for Light Draft Vessels" has been executed between the U.S. Army Corps of Engineers and the State Historic Preservation Officer, with both the U.S. National Park Service and the Office of Hawaiian Affairs signing as concurring parties.

Your Committee has amended this concurrent resolution to correct the spelling of "Mailekini" and "Kawaihae" in the body of the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57, H.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 57, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Matsunaga).

**SCRep. 1519 Planning, Land and Water Use Management on H.C.R. No. 88**

The purpose of this concurrent resolution is to establish a Wahiawa Reservoir Task Force to study present and potential uses for the Wahiawa Reservoir.

Upon further consideration, your Committee has amended this concurrent resolution by inserting pertinent provisions of S.C.R. No. 198, S.D. 1, which creates a task force to: (1) study the potential uses of the Wahiawa Reservoir to prepare for the possibility of transfer of ownership of the Wahiawa Reservoir to the State of Hawaii; and (2) to examine the conclusions and recommendations made in the Dam Safety Inspection report for Wahiawa Dam ("Dam"), Oahu, Hawaii, dated January 1995, prepared for the Department of Land and Natural Resources Division of Water and Land Development ("Report"), the cost of implementing the recommendations proposed in the Report, and the party or parties who will be ultimately responsible for the operation, maintenance and liability for the Dam.

Your Committee has further amended this concurrent resolution by making technical, non-substantive amendments.

As affirmed by the record of votes of the members of your Committee on Planning, Land and Water Use Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88, H.D. 2, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 88, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Holt, Ige, Tanaka).

**SCRep. 1520 (Joint) Planning, Land and Water Use Management and Ways and Means on H.C.R. No. 229**

The purpose of this concurrent resolution is to request the State Auditor to examine the management and operations of the Commission on Water Resource Management.

Pursuant to Act 45, Section 5, Session Laws of Hawaii 1987, the Review Commission of the State Water Code has completed its duties and has submitted a report to the Legislature dated December 28, 1994. As such, your Committees note that it is unclear whether the reference to the Review Commission on page 2, lines 1-3 of this concurrent resolution was intended to mean the Commission on Water Resource Management.

Next, your Committees find that the delegation of powers from the Commission on Water Resource Management to the county water and planning departments should have been addressed by the Review Commission during its examination of the State Water Code, and thus, examination by the State Auditor of this issue is not necessary at this time.

In light of the above, your Committees have amended this Concurrent Resolution by deleting its substance, and inserting therefor, the substance of S.C.R. No. 155, S.D. 1, which requests that the State Auditor examine the management and operations of the Commission on Water Resource Management.

As affirmed by the records of votes of the members of your Committees on Planning, Land and Water Use Management and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 229, H.D. 2, as amended herein, and recommend its adoption, in the form attached hereto as H.C.R. No. 229, H.D. 2, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (Fernandes Salling, Fukunaga, Holt, Ige, Solomon, Tanaka, Taniguchi).

**SCRep. 1521 (Joint) Economic Development and Ways and Means on H.C.R. No. 338**

The purpose of this Concurrent Resolution is to urge the Legislature to support efforts to establish the State of Hawaii as a free-trade zone, request the Department of Taxation to submit a report on the ramifications on the tax structure resulting from free-trade zone designation, and request the Department of Business, Economic Development, and Tourism (DBEDT) to:

- (1) Compile a list of steps necessary to achieve the designation of the State and a list of entities or agencies that would be able and willing to play a role in the State's achieving this designation; and
- (2) Make recommendations to the Legislature of the impact on the State's existing business, social, and physical infrastructure.

DBEDT testified that some of the economic advantages of a free-trade zone for the entire State of Hawaii include:

- (1) The reduction of the price of imported goods for local residents;
- (2) Tourists would be able to purchase many of the designer and other products they presently purchase for much less, making Hawaii an even more attractive location for shopping; and
- (3) The costs for Hawaii's businesses would be reduced, saving money for local consumers and making it easier for Hawaii's exporters to compete in foreign markets.

Your Committees also received testimony in support of this Concurrent Resolution from Rick Tsujimura and Representative Terry Nui Yoshinaga.

Your Committees are concerned about whether designating the entire State as a free-trade zone would adversely affect the sugar and pineapple industry. Accordingly, your Committees note that this measure is in no way intended to harm those industries in Hawaii. Further, your Committees believe that the free-trade zone designation should also be looked at on a smaller scale, such as the designation of one island as a free-trade zone as opposed to the entire State.

As affirmed by the records of votes of the members of your Committees on Economic Development and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 338, H.D. 2, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 6 (Fernandes Salling, Fukunaga, Matsuura, Solomon, Tanaka, Taniguchi).

**SCRep. 1522 Ecology and Environmental Protection on H.C.R. No. 114**

The purpose of this concurrent resolution is to establish a task force to address concerns related to sewage pollution of Waikiki area beach waters. The task force is to study the concerns related to sewage pollution and to recommend an appropriate strategy to remedy the concerns.

Your Committee received testimony in support of the intent of this concurrent resolution from the Department of Health and the University of Hawaii. The University expressed that fiscal support may be necessary and must be considered in light of the current budgetary concerns. Strong testimony in support of this measure was voiced by Robert Rodman.

Your Committee finds that there are concerns about water quality at Waikiki beaches due to bacterial contamination. Enterococcus and staphylococcus bacteria contamination can have a serious impact upon the health of beachgoers and ocean recreation activities, which may adversely affect the State's visitor industry.

Your Committee has amended this Concurrent Resolution by discussing different theories over the source of the bacterial contamination and by requesting the task force to review and take into consideration all previous studies which address concerns related to the water quality of Waikiki area beaches.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114, H.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 114, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SCRep. 1523 (Joint) Ecology and Environmental Protection and Ways and Means on H.C.R. No. 154**

The purpose of this Concurrent Resolution is to request the Department of Health to recommend the use of vandose zone monitoring technology to all agencies that monitor the groundwater near golf courses, agricultural operations, and other areas where the potential for groundwater contamination exists.

Your Committees received testimony in favor of this Concurrent Resolution from the Department of Health and from Bill Dougherty.

As affirmed by the records of votes of the members of your Committees on Ecology and Environmental Protection and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 154, H.D. 1, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Chumbley, Fernandes Salling, Solomon, Tanaka, Taniguchi).

**SCRep. 1524 Ecology and Environmental Protection on H.C.R. No. 227**

The purpose of this Concurrent Resolution is to request the Department of Health to undertake a comprehensive review of the impact caused by agricultural activities and other activities in the Kaiaka-Waialua Bay hydrological unit on marine species in the Kaiaka-Waialua Bay.

Your Committee received testimony in support of this Concurrent Resolution from the Department of Health.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 227, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chumbley, Ikeda).

**SCRep. 1525 (Joint) Education and Ways and Means on H.C.R. No. 233**

The purpose of this Concurrent Resolution is to request an interagency study of the feasibility of the budgeting of proposed expenditures and the appropriation of moneys to meet anticipated expenditures for the construction of public school facilities for two fiscal bienniums.

Your Committees find that the school construction program has been backlogged with requests for construction of new facilities to meet the expanding student population. Your Committees further find that in order to address the backlog and anticipate future needs, all affected state agencies should work together to develop a more efficient process and program for the construction of school facilities.

As affirmed by the records of votes of the members of your Committees on Education and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 233, H.D. 2, and recommend its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 6 (Fernandes Salling, Fukunaga, Matsunaga, Solomon, Tanaka, Taniguchi).

**SCRep. 1526 (Joint) Education and Ways and Means on H.C.R. No. 234**

The purpose of this concurrent resolution, as received by your Committees, is to request the Auditor to conduct a performance audit of six educational programs or services provided by the Department of Education.

Your Committees find that the public schools are being challenged to address the health and social problems of their students in addition to meeting their educational needs. Your Committees further find that the Department of Education has implemented a myriad of programs to address these concerns, and certain programs and services should be reviewed in order for the Legislature to determine if the resources are being used efficiently and effectively. However, your Committees believe that given the limited resources available for such a broad review, that only two of the six programs listed in this measure need to be reviewed at this time.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the request for performance audits of the A+ program, after-school instructional program, and the hiring and training of school security attendants; and
- (2) Deleting any other references to these programs and services.

As affirmed by the records of votes of the members of your Committees on Education and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 234, H.D. 2, as amended herein, and recommend its adoption, in the form attached hereto as H.C.R. No. 234, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 6 (Fernandes Salling, Fukunaga, Matsunaga, Solomon, Tanaka, Taniguchi).

**SCRep. 1527 (Joint) Human Services and Ways and Means on H.C.R. No. 73**

The purpose of this Concurrent Resolution is to establish a joint interim special committee to hold public meetings on each island, or to teleconference, to examine the problems of welfare recipients on a first-hand basis.

The special committee would be composed of members of the Human Services Committees of both Houses as well as other members, appointed as follows: two Senators appointed by the President of the Senate; two Representatives appointed by the Speaker of the House of Representatives; one member from each county to be appointed by the chairperson of the respective county councils; and one member representing the Department of Human Services.

The special committee would hold informal meetings with welfare recipients on each island during the interim between the 1995 and 1996 Regular Sessions. Your Committees find that this process is conducive to:

- (1) Obtaining first-hand information from welfare recipients;
- (2) Helping committee members to identify problems that welfare recipients are experiencing and key problems in the system which may otherwise not come to light; and
- (3) Affording welfare recipients the opportunity to advance grass roots suggestions for improving the system.

Your Committees note that the special committee is urged to utilize teleconferencing as the preferred method of deliberation, if practical and feasible, in order to save costs.

As affirmed by the records of votes of the members of your Committees on Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 73, H.D. 1, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Fernandes Salling, Fukunaga, Grauly, Solomon, Tanaka, Taniguchi).

**SCRep. 1528 (Joint) Human Services and Judiciary on H.C.R. No. 147**

The purpose of this Concurrent Resolution is to request that the Child Welfare Services Reform Task Force be extended for another year, and to require that the blueprint for reform of the child protective services be submitted twenty days prior to the 1996 legislative session.

Your Committees note that the task force reform effort includes broad based community input, national and local consultative and technical assistance, as well as collaboration with groups and agencies involved with child welfare. The extension of time will allow the task force to bring its efforts to fruition with the production of an effective child protective services model for the State.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 147, H.D. 1, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Matsunaga, McCartney, Anderson).

**SCRep. 1529 (Joint) Human Services and Health on H.C.R. No. 168**

The purpose of this concurrent resolution is to request a meeting during the interim among various state agencies and private sector providers for the purpose of developing recommendations for a pro-family system of services.

Your Committees note that the status of children and families in Hawaii has steadily declined over the past two decades. The current system of funding and delivery of services may contribute to the problem by increasing costs and isolating families. A better approach calls for an integrated, holistic system to more directly and appropriately respond to and serve the real needs of families. Your Committees note further that innovative programs in public-private partnerships in Hawaii for the delivery of health and human services have proven successful and should be strengthened.

This concurrent resolution states that the pro-family system of services should, among other specifics, be: preventive, comprehensive, family centered, flexible, and focused on child development.

The convening of this group is to be based on the federal "Together We Can" initiative, a successful collaborative model of the United States Departments of Health and Human Services and Education. The group's recommendations are to be contained in a report to the Legislature.

Your Committees have amended this concurrent resolution to clarify that the various problems of the current system serve to preserve a holistic approach to the real needs of families. Your Committees have also made technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 168, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 168, H.D. 1, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Grauly, Kawamoto).

**SCRep. 1530 Human Services on H.C.R. No. 222**

The purpose of this Concurrent Resolution is to request the Department of Human Services to establish a pilot project to enable the Waianae Coast Coalition for Human Services to develop an alternative funding structure for the provision of services to the Waianae Community.

According to a survey conducted by the Legislative Reference Bureau in 1993, state funding for human services programs is categorical. Your Committee believes that alternative funding procedures should be explored, including decategorization to provide flexibility and a wide range of programs based on community needs. This Concurrent Resolution is intended to initiate exploration and study of alternative funding structures, utilizing collaboration with the Waianae community.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 222, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Gaulty).

**SCRep. 1531      Health on H.C.R. No. 15**

The purpose of this Concurrent Resolution is to request the Garden Island Planning Committee, the Dental Health Division of the Department of Health, and the Med-Quest Division of the Department of Human Services to study the dental health problems on Kauai and Niihau, and to develop a comprehensive strategy for dental disease prevention.

Your Committee finds that the Garden Island Health Planning Committee completed an extensive county-wide health needs assessment in May 1993, which indicated, among other things, disturbingly high levels of dental health problems, especially among the county's young children.

Your Committee supports this measure as a means of encouraging the implementation of a comprehensive and effective plan to address this serious health problem on Kauai and Niihau.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 15, H.D. 2, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1532      (Joint) Health and Ways and Means on H.C.R. No. 31**

The purpose of this Concurrent Resolution is to request the Legislative Auditor to perform a sunrise review of the regulation of respiratory care practitioners, and in particular, to study, assess, and report to the Legislature on:

- (1) The need for and proposed effects of regulating the practice of respiratory therapy in Hawaii;
- (2) Whether doing so would be consistent with the policies set forth in section 26H-2, Hawaii Revised Statutes; and
- (3) The preferred form through which such regulation should be provided, if appropriate.

Testimony indicates that respiratory care practitioners operate sophisticated life support systems, the correct use of which can assist patients in recuperating more quickly and reaching a higher level of recovery. The incorrect use of these systems presumably can result in inappropriate prolonged hospitalization or death.

Apparently there are no statewide standards or definitions applicable to the practice of respiratory care, and as a result, it is suggested that Hawaii's respiratory care consumers cannot be assured that persons providing these services are fully qualified by education and experience to do so.

Your Committees therefore believe that this measure is relevant to the safety, health, and welfare of the general public.

As affirmed by the record of votes of the members of your Committees on Health and Ways and Means that is attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 31, H.D. 1, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Fernandes Salling, Fukunga, Solomon, Tanaka, Taniguchi).

**SCRep. 1533      (Joint) Health and Ways and Means on H.C.R. No. 175**

The purpose of this concurrent resolution is to request the Department of Health to establish fully accreditable separate programs for adults and adolescents in the Molokini Unit of Maui Memorial Hospital no later than July 1, 1995, and to report to the Legislature regarding the program and accreditation status of the Molokini Unit at least twenty days prior to the convening of the 1996 Regular Session.

Your Committees find that, due to a delay in awarding contracts for program development, management, and staffing at the Molokini Unit of Maui Memorial Hospital, the mental health needs of persons on Maui who are in need of inpatient psychiatric care are not being met.

Your Committees believe that this measure will help to expedite the necessary contracting procedures, thereby ensuring that the Molokini Unit will soon be providing quality mental health care to the people on Maui who are in need of it.

As affirmed by the records of votes of the members of your Committees on Health and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 175 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Tanaka, Taniguchi).

**SCRep. 1534 (Joint) Health and Ways and Means on H.C.R. No. 256**

The purpose of this concurrent resolution is to request the Department of Health, the Administrator of the State Office of the Cluster System, and the directors of the other state agencies participating in the state cluster system, to consider utilizing the "Tole Mour" to expand the Kailana Program by contracting or otherwise working with the Marimed Foundation and Hale Kipa Youth Services to secure the necessary permits, or adopt implementing rules, that will allow the "Tole Mour" to operate as a residential facility for an adolescent group home and treatment program for emotionally impaired or conduct disorder adolescents.

Your Committees find that the "Tole Mour" is a U.S. Coast Guard certified sailing school vessel owned by the Marimed Foundation. For the past year, it has been operating youth programs around the world as part of a nonprofit joint venture arrangement. That arrangement has recently been terminated and the "Tole Mour" is now available to return to Hawaii.

Your Committees believe that utilizing the "Tole Mour" to expand the residential capacity of the Kailana Program, as suggested by this measure, may facilitate improved services to youth and families throughout the State through regular ship visits to all islands, and may also allow other state and private agencies serving needy youth regular access to the vessel for day sail programs.

Your Committees have amended this measure by:

- (1) Amending the title of the concurrent resolution to request the Department of Health and other relevant agencies to explore the use of "Tole Mour" to expand the residential capacity of the Kailana Program;
- (2) Clarifying that the proposed expansion of the Kailana Program might, rather than could, be funded by a diversion to the Program of carefully screened, qualified youths now being sent to more expensive mainland programs and local facilities;
- (3) Clarifying that using "Tole Mour" to expand the residential capacity of Kailana might, rather than would, permit improved services to needy youth;
- (4) Adding to the list of parties requested to consider this matter, and to receive certified copies of this concurrent resolution, the Chairperson of the Board of Land and Natural Resources and the Director of Transportation; and
- (5) Requiring the relevant state agencies to submit reports of their findings and recommendations to the Legislature no later than twenty days prior to the convening of the 1996 Regular Session.

Your Committees have also made several technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 256, H.D. 2, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 256, H.D. 2, S.D. 1.

Signed by the Chairmen on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Tanaka, Taniguchi).

**SCRep. 1535 (Joint) Health and Human Services on H.C.R. No. 327**

The purpose of this Concurrent Resolution is to request the Department of Health, the Developmental Disabilities Council, the Department of Human Services, and the Oahu Alliance for the Mentally Ill to collaborate in gathering information about life-care planning and estate planning for persons with disabilities, including self-sufficiency trusts, special needs trusts, private trusts, and public-private partnerships established in other states, and in exploring practices that may be appropriate for Hawaii.

Your Committees find that there is a great need in this State for the development of a comprehensive life-care and estate planning option for persons with disabilities; one that will provide the security of a continued level of high care, while not affecting disabled dependents' eligibility for federal assistance benefits like Medicaid and Supplemental Security Income.

Your Committees therefore support this measure as a means of fostering the expansion of supplemental services to the disabled and the strengthening of the State's provider network.

However, it is the intent of your Committees that the agencies shall explore practices within the federal parameters of estate planning; but that they shall not consider any practices which are intended to circumvent federal law in order to place the financial burden of health care on government.

Also, your Committees would like to stress that the action requested in this Concurrent Resolution should be on a statewide basis and reflect any unique needs that might pertain on the various islands.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 327, H.D. 2, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Graulity, Kawamoto).

**SCRep. 1536 (Joint) Health and Human Services on H.C.R. No. 329**

The purpose of this concurrent resolution is to express the Legislature's support for the "Pu'u honua: A Safe Haven" Project for the homeless mentally ill and to urge the Mayor of the City and County of Honolulu to find a suitable location for the Project.

Your Committees find that Mental Help Hawaii, formerly known as The House Inc., has been awarded a three-year \$2,100,000 federal grant to cover operating expenses for the Pu'u honua: A Safe Haven Project for mentally ill homeless people. This grant is contingent upon the securing of a site for the Project.

Your Committees therefore support this measure as a means of expediting the search for a suitable project site, securing the federal grant, and facilitating the establishment of this greatly needed homeless project.

Your Committees have amended this measure by:

- (1) Amending the title of the concurrent resolution and the body to urge the Governor of the State of Hawaii, as well as the Mayor of the City and County of Honolulu, to support a suitable location for the project; and
- (2) Deleting from the list of recipients of certified copies of this concurrent resolution, the Speaker of the House of Representatives and the President of the Senate.

Your Committees have also made several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees fully expect that the Mayor and Governor will work with the existing Safe Haven Task Force in order to assure continuity and recognition of the efforts already made to secure a suitable location for the project.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 329, H.D. 2, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 329, H.D. 2, S.D. 1.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Graulity, Kawamoto).

**SCRep. 1537 (Joint) Agriculture, Labor, and Employment and Ways and Means on H.C.R. No. 23**

The purpose of this concurrent resolution is to request the Employees' Retirement System to reinvest in South Africa in accordance with socially responsible guidelines and standards.

Your Committees find that in April, 1994, South Africa conducted its first nonracial election, ushering in a new era of social reform. The resulting establishment of an apartheid-free democratic government has opened the door of freedom and opportunity to millions of formerly oppressed South Africans. However, in order for economic recovery and proliferation to occur, substantial outside investment must occur.

Your Committees also find that every other state in the United States has begun reinvesting in South Africa, having responded to South African President Nelson Mandela's request to lift economic sanctions on his country.

Your Committees believe that the reinvestment of capital in South Africa is prudent at this juncture.

As affirmed by the records of votes of the members of your Committees on Agriculture, Labor, and Employment and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 23 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Fernandes Salling, Solomon, Tanaka, Anderson, Liu).

**SCRep. 1538 (Joint) Consumer Protection and Ways and Means on H.C.R. No. 4**

The purpose of this Concurrent Resolution is to request the Auditor to perform a sunrise review of the regulation of marriage and family therapists.

Your Committees find that marriage and family therapists are increasingly called upon to assist families in crisis, through referrals from other health care providers or employment-related services. Your Committees further find that thirty-five states presently regulate marriage and family therapists and the discipline is recognized as an independent mental health profession pursuant to the federal Public Health Services Act.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 4, H.D. 1, and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 7 (Aki, Fernandes Salling, Fukunaga, Ige, Solomon, Tanaka, Taniguchi).

**SCRep. 1539 (Joint) Consumer Protection and Ways and Means on H.C.R. No. 115**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise analysis of H.B. No. 966, "Relating to Nutrition", introduced in the Regular Session of 1995.

Your Committees received testimony in favor of this concurrent resolution from the Hawaii Dietetic Association and a registered dietitian.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 115 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 7 (Aki, Fernandes Salling, Fukunaga, Ige, Solomon, Tanaka, Taniguchi).

**SCRep. 1540 (Joint/Majority) Consumer Protection and Ways and Means on H.C.R. No. 116**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review of the regulation of physical therapist assistants.

Your Committees find that physical therapist assistants often provide similar services as physical therapists, yet these assistants are not licensed under present state regulatory law. Your Committees further find that in order to provide equal treatment under the law and to assure consumer protection, a review of the present practice of physical therapist assistants is warranted.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 116 and recommend its adoption.

Signed by the Chairmen on behalf of the Committees.

Ayes, 10. Noes, 1 (Liu). Excused, 7 (Aki, Fernandes Salling, Fukunaga, Ige, Solomon, Tanaka, Taniguchi).

**SCRep. 1541 Consumer Protection on H.C.R. No. 146**

The purpose of this Concurrent Resolution is to request Hawaii's congressional delegation to urge the Federal Insurance Administration to revise its flood insurance policy.

The federal government requires condominiums in flood-prone zones to have flood insurance to cover eighty percent of the condominium building's replacement value. This amount represents the increase set pursuant to the National Flood Insurance Reform Act of 1994, in response to natural disasters causing catastrophic property losses including two hurricanes in Hawaii in the last ten years.

Condominium associations in Hawaii are finding it difficult to afford the increase in insurance premiums for the master policies. The costs are passed on to the individual unit owners in the form of maintenance fees, which have increased substantially because of the 1994 requirements. This Concurrent Resolution is intended to help remedy this problem.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146, H.D. 1, and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 1542 Consumer Protection on H.C.R. No. 199**

The purpose of this concurrent resolution is to request the insurance commissioner to discover a means to resolve the inequities in homeowners insurance.

This concurrent resolution pertains to lava zones on the Big Island and specifies administrative resolution as a means to remedy this matter through the Hawaii Property Insurance Association. Your Committee believes that lava zones 1 and 2 under program 1 may be treated disproportionately different from the rest of the State under program 2, including lesser and more expensive coverage.

As affirmed by the record of votes of the members of your Committee on Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Aki, Ige).

**SCRep. 1543 Ways and Means on H.C.R. No. 14**

The purpose of this concurrent resolution is to petition Congress to propose and send to the states for ratification, an amendment to the Constitution of the United States that would prohibit the imposition of a federal tax for the period before the date of the enactment of a retroactive tax.

Your Committee finds that the Omnibus Budget Reconciliation Act of 1993, which was approved by the President on August 19, 1993, imposed federal income, estate, and gift tax increases retroactive to January 1, 1993. Your Committee believes that retroactive taxation places an unfair and intolerable burden on American taxpayers because of its sheer unpredictability. The very thought of taxing the past to pay for the future is morally reprehensible and contrary to sound tax policy and fiscal practice.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 14 and recommends its adoption.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Tanaka, Taniguchi).

**SCRep. 1544      Ways and Means on H.C.R. No. 240**

The purpose of this concurrent resolution is to request the auditor to conduct an audit and make recommendations, including any proposed legislation, to improve the administration of the present purchase of service (POS) system under chapter 42D, Hawaii Revised Statutes.

More specifically, in conducting the audit, the auditor is requested to consider:

- (1) The basic principles of a POS system;
- (2) A proposed office of purchased services within the state procurement office of the department of accounting and general services;
- (3) Flexibility for state agencies to enter into contracts with individual providers, including terms of up to five years; and
- (4) Appropriate placement of the existing advisory council and the executive coordinating council.

The auditor also is requested to solicit input from affected state agencies and organizations representing providers of services, such as the Alliance for Health and Human Services.

Your Committee finds that despite changes made in 1991 to improve the system, many POS providers still do not receive payment in a timely or efficient manner, thus adversely affecting the provision of services to those most in need. Your Committee believes that a comprehensive audit is necessary to determine how best to fulfill the legislative intent of chapter 42D, HRS, to assist Hawaii's people dependent upon the services made available through the provision of grants, subsidies, and purchases of services.

Your Committee has amended this concurrent resolution by inserting the phrase "or replace" after the words "to improve" in the title of the concurrent resolution and at line 23 of page 2.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 240, H.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 240, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Tanaka, Taniguchi).

**SCRep. 1545      Executive and Judicial Appointments on Gov. Msg. No. 135**

Recommending that the Senate advise and consent to the nomination LAWRENCE H. MIIKE, M.D., J.D., as Director of Health, term to expire December 7, 1998.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1546      Executive and Judicial Appointments on Gov. Msg. No. 208**

Recommending that the Senate advise and consent to the nominations of JOHN A. HOAG, SHUNICHI KIMURA, BERT A. KOBAYASHI, AH QUON MCEL RATH and DONNA TANOUE to the Board of Regents, University of Hawaii, terms to expire June 30, 1999.

Signed by the Chairman on behalf of the Committee.

(Gov. Msg. No. 208 with the exception of Bert A. Kobayashi) - Ayes, 4. Noes, none. Excused, 3 (Bunda, Holt, Gaulty)

(Gov. Msg. No. 208 - Bert A. Kobayashi) - Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Gaulty, Liu).

**SCRep. 1547      Executive and Judicial Appointments on Gov. Msg. No. 291**

Recommending that the Senate advise and consent to the nomination of MARY JUANITA TIWANAK to the Hawaii Paroling Authority, term to expire June 30, 1999.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Holt).

**SCRep. 1548      Executive and Judicial Appointments on Gov. Msg. Nos. 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280 and 281**

Recommending that the Senate advise and consent to the nominations of the following:

MINORU SHINTANI to the State Board of Public Accountancy, term to expire June 30, 1997 (Gov. Msg. No. 270);

KENROCK K.S. HIGA, LYNN S.H. HIROMOTO and LOWELL T. NAGAUE to the State Board of Public Accountancy, terms to expire June 30, 1999 (Gov. Msg. No. 270);

MELVIN S.H. FONG and PEGGY Y. OSHIRO to the Board of Acupuncture, terms to expire June 30, 1999 (Gov. Msg. No. 271);

RUSSELL MIYADA, TEODORO SARIBAY and ANDREI SOTO to the Aquatic Life and Wildlife Advisory Committee, City and County of Honolulu, terms to expire June 30, 1999 (Gov. Msg. 272);

WALLACE A. ISHIBASHI, JR., WILFRED M. OKABE and RICHARD "SONNY" TANABE to the Aquatic Life and Wildlife Advisory Committee, County of Hawaii, terms to expire June 30, 1999 (Gov. Msg. No. 273);

MALCOM C. FERNANDEZ, JACK N. GUSHIKEN and CLAYTON SAKAHASHI to the Aquatic Life and Wildlife Advisory Committee, County of Kauai, terms to expire June 30, 1999 (Gov. Msg. No. 274);

OLIVER CUMMUNINGS to the Aquatic Life and Wildlife Advisory Committee, County of Maui, term to expire June 30, 1999 (Gov. Msg. No. 275);

DEBRA ONO, SUSAN PIRSCH and DONNA TSUTSUMI-OTA to the Governor's Advisory Council for Children and Youth, terms to expire June 30, 1999 (Gov. Msg. No. 276);

FAYE KENNEDY to the Civil Rights Commission, term to expire June 30, 1997 (Gov. Msg. No. 277);

CLYDE J. EUGENIO to the Contractors License Board, term to expire June 30, 1999 (Gov. Msg. No. 278);

WILLIAM T. EMMSLEY, JR., KAREN H. IWAMOTO, HELEN Y. RAUER, C.E. RAGS SCANLAN and JOHN F. (JACK) SULLIVAN, JR., to the Correctional Industries Advisory Committee, terms to expire June 30, 1997 (Gov. Msg. No. 279);

RHONDA N. HORIUCHI, GERONIMO VALDRIZ and MARK R. ZENGER to the Defender Council, terms to expire June 30, 1999 (Gov. Msg. No. 280);

JANET MIDORI YAMASHIRO PRIMIANO to the Board of Dental Examiners, term to expire June 30, 1998 (Gov. Msg. No. 281);

DONALD T. KAWANE, D.D.S. and DERON J. OHTANI, D.D.S. to the Board Dental Examiners, terms to expire June 30, 1999 (Gov. Msg. 281).

Signed by the Chairman on behalf of the Committee.

(Gov. Msg. Nos. 270-273, 275-281) - Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Holt).

(Gov. Msg. No. 274) - Ayes, 4. Noes, none. Excused, 3 (Holt, Graulty, Liu).

**SCRep. 1549      Executive and Judicial Appointments on Gov. Msg. Nos. 282, 283, 284, 285, 286, 287, 288, 289, 290, 292, 294, 295, 296, 297, 298, 299 and 300**

Recommending that the Senate advise and consent to the nominations of the following:

MARY F. JOSSEM to the State Planning Council on Developmental Disabilities, term to expire June 30, 1996 (Gov. Msg. 282);

ROBERT L. ELLIS, BETTY SOLSTAD and ROBERT A. STODDEN, Ph.D. to the State Planning Council on Developmental Disabilities, terms to expire June 30, 1998 (Gov. Msg. No. 282);

LANI BARTHOLOMEW, ELLEN M. CHING, EVELYN CHONG, ANGIE CONNOR, M.D., DIXON MUGIISHI, ERIC H. PARR, NEIL SHIM, REUBEN T. SHIMAZU, RICHARD Y. SUEHIRO and LAMBERT K. WAI to the State Planning Council on Developmental Disabilities, terms to expire June 30, 1999 (Gov. Msg. No. 282);

BEVERLY C. WONG to the Policy Advisory Board for Elder Affairs, term to expire June 30, 1997 (Gov. Msg. 283);

CULLEN T. HAYASHIDA, LILLIAN C. ITO, FELY LIBRE, BENJAMIN C. SIGAL, LINDA SPRATT and HARRIET O. YOSHIMORI to the Policy Advisory Board for Elder Affairs, terms to expire June 30, 1999 (Gov. Msg. No. 283);

MARK H. FUJIMOTO, ROBERT Y. KATSURA and PAUL K. MEZURASHI to the Board of Electricians and Plumbers, terms to expire June 30, 1999 (Gov. Msg. No. 284);

LINDA WONG to the State Emergency Medical Services Advisory Committee, term to expire June 30, 1998 (Gov. Msg. No. 285);

LUCILLE V. CHUNG, TOBY L. CLAIRMONT, CURTIS MATSUI, DALE T. ODA, M.D. and LEONARD A. RAPOZO, JR. to the State Emergency Medical Services Advisory Committee, terms to expire June 30, 1999 (Gov. Msg. No. 285);

ELENA M. BUMANGLAG, LEON RICHARDS, Ph.D. and KIM WINEGAR to the Advisory Commission on Employment and Human Resources, terms to expire June 30, 1998 (Gov. Msg. 286);

KENDALL NAM HOY HEE, CAROL S. SAKATA and JAY I. ISHIBASHI to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, terms to expire June 30, 1999 (Gov. Msg. No. 287);

ROY L. BENHAM and WILLIAM S. PETTI to the Environmental Council, terms to expire June 30, 1998 (Gov. Msg. No. 288);

TAMAR CHOTZEN, MICHAEL H. FURUKAWA, LOUIS K. KANAE, STEVEN LIM, MURIEL B. SETO and ROBIN WURTZEL to the Environmental Council, terms to expire June 30, 1999 (Gov. Msg. No. 288);

BRIAN K. MINAAI and LYNNE WATERS to the Hawaii Community Development Authority, terms to expire June 30, 1999 (Gov. Msg. No. 289);

HARRIET AOKI, STUART N. FUJIOKA and LYNN P. MCCRORY to the Board of Directors of the Hawaii Hurricane Relief Fund, terms to expire June 30, 1999 (Gov. Msg. No. 290);

TED S. MINA and RYAN S. USHIJIMA to the Board of Directors, Hawaii Strategic Development Corporation, terms to expire June 30, 1999 (Gov. Msg. No. 292);

LAURA G. MANIS to the Statewide Health Coordinating Council, term to expire June 30, 1996 (Gov. Msg. No. 294);

DAWN K. AMANO-IGE, RUSSEL A. BOTELHO, SR., CATHERINE A. CAMP, CARL T. HAMADA, BERNARD A.K.S. HO and ARTHUR A. USHIJIMA, terms to expire June 30, 1999 (Gov. Msg. No. 294);

ALICE Y. KIM and KATHRYN SMITH RIPPER to the Honolulu Subarea Health Planning Council, terms to expire June 30, 1999 (Gov. Msg. No. 295);

C.O. ANDY ANDERSON and CASSANDRA S. LESTER to the Central Oahu Subarea Health Planning Council, terms to expire June 30, 1999 (Gov. Msg. No. 296);

SUSAN DE SENA HEWITT to the Windward Oahu Subarea Health Planning Council, term to expire June 30, 1998 (Gov. Msg. No. 297);

CHARMAN JAMES. K. AKINA, M.D., RONALD T. HAYASHI and ROY YAMAUCHI to the Windward Oahu Subarea Health Planning Council, terms to expire June 30, 1999 (Gov. Msg. No. 297);

MARNI HERKES, KATHLEEN M. MISHINA and LEROY SIMMS, JR., terms to expire June 30, 1999 (Gov. Msg. No. 298);

MICHAEL A. FAYE, LYNNE JOSEPH, RICHARD M. GOODALE, M.D. and EMMALINE K. EHU to the Kauai County Subarea Health Planning Council, terms to expire June 30, 1999 (Gov. Msg. No. 299);

CATHERINE NOBRIGA KIM to the Maui County Subarea Health Planning Council, term to expire June 30, 1997 (Gov. Msg. No. 300); and

A. DUANE BLACK and RICHARD S. HIGASHI to the Maui County Subarea Health Planning Council, terms to expire June 30, 1999 (Gov. Msg. No. 300).

Signed by the Chairman on behalf of the Committee.

(Gov. Msg. Nos. 282-290) - Ayes, 5. Noes, none. Excused, 2 (Bunda, Holt).

(Gov. Msg. Nos. 292, 294-300) - Ayes, 6. Noes, none. Excused, 1 (Holt).

**SCRep. 1550      Executive and Judicial Appointments on Gov. Msg. Nos. 314, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335 and 336**

Recommending that the Senate advise and consent to the nominations of the following:

STEPHEN M. OISHI, M.D., to the Medical Advisory Board, term to expire June 30, 1996 (Gov. Msg. No. 314);

STEVEN CHU to the Board of Directors, Natural Energy Laboratory of Hawaii Authority, term to expire June 30, 1999 (Gov. Msg. No. 317);

JEFFREY FOSTER, L.P.N., JOAN HIROMASA, R.N., DARRYL N. ING, JILLIAN INOUE, Ph.D. and VALISA SAUNDERS, M.N., to the State Board of Nursing, terms to expire June 30, 1998 (Gov. Msg. No. 318);

LAURA Y. CHOCK to the Board of Dispensing Opticians, term to expire June 30, 1997 (Gov. Msg. No. 319);

ABEL THOMAS BROWN to the Board of Dispensing Opticians, term to expire June 30, 1999 (Gov. Msg. No. 319);

MICHAEL E. KRUPNICK to the Pest Control Board, term to expire June 30, 1996 (Gov. Msg. No. 320);

WENDELL T. KOGA to the Pest Control Board, term to expire June 30, 1999 (Gov. Msg. No. 320);

PAUL CONRY to the Advisory Committee on Pesticides, term to expire June 30, 1997 (Gov. Msg. No. 321);

BETH ELIN BYERLY, JAMES K. IKEDA, MARK H. KIJIMA, DANA E. KOKUBUN and ROY K. NISHIMOTO to the Advisory Committee on Pesticides, terms to expire June 30, 1999 (Gov. Msg. No. 321);

JONI S. KANAZAWA, P.T., to the Board of Physical Therapy, term to expire June 30, 1999 (Gov. Msg. No. 322);

WILLIAM R. HIGA, Ph.D., GINGER A. KOLONICK and BARBARA B. SLOGGETT, Ph.D., to the Board of Psychology, to expire June 30, 1999 (Gov. Msg. No. 323);

YEIKO "TONY" ARAKAKI, JIM BECKER and RICKY C. MANAYAN to the Board of Public Broadcasting, terms to expire June 30, 1999 (Gov. Msg. No. 324);

FRANK. Y. KATAKURA and AGNES G. TELLES to the County Public Health Facility Management Advisory Committee, City and County of Honolulu, terms to expire June 30, 1999 (Gov. Msg. No. 325);

FRED. C. HOLSCHUH, M.D., and NANCY T. KELLY to the County Public Health Facility Management Advisory Committee, County of Hawaii, terms to expire June 30, 1999 (Gov. Msg. No. 326);

LUDVINA K. TAKAHASHI and FLORENCE TOMITA to the County Public Health Facility Management Advisory Committee, County of Kauai, terms to expire June 30, 1998 (Gov. Msg. No. 327);

HERBERT SAKAKIHARA to the County Public Health Facility Management Advisory Committee, County of Maui, term to expire June 30, 1998 (Gov. Msg. No. 328);

GEORGE POWELL, M.D., to the County Public Health Facility Management Advisory Committee, County of Maui, term to expire June 30, 1999 (Gov. Msg. No. 328);

ANN A. OHATA, M.D., to the Radiologic Technology Board, term to expire June 30, 1999 (Gov. Msg. No. 329);

HELEN M. LINDEMANN to the Real Estate Commission, term to expire June 30, 1999 (Gov. Msg. No. 330);

DOUGLASS T.K. PANG to the Board of Registration, Island of Oahu, term to expire June 30, 1999 (Gov. Msg. No. 331);

MELVIN KAUAAHI to the Board of Registration, Kauai and Niihau, term to expire June 30, 1999 (Gov. Msg. No. 332);

VELMA M. SANTOS to the Board of Registration, Maui, Molokai, Lanai and Kahoolawe, term to expire June 30, 1999 (Gov. Msg. No. 333);

NANI FIFE and GERALDINE M. OTAGURO to the State Advisory Council on Rehabilitation, terms to expire June 30, 1997 (Gov. Msg. No. 334);

GERALD DEOREO, ROBERT P. HORWATH, DONALD J. MACK, KIMBERLY ANN MADDOX, KIRBY SHAW and MARGUERITE SIVAK to the State Advisory Council on Rehabilitation, terms to expire June 30, 1998 (Gov. Msg. No. 334);

SETSU FURUNO, Ph.D., to the Reproductive Rights Protection Committee, term to expire June 30, 1998 (Gov. Msg. No. 335);

JANICE IRENE HANSEN, M.D., WAYNELL K. HEE and RUTH ELLEN LINDENBERG to the Reproductive Rights Protection Committee, terms to expire June 30, 1999 (Gov. Msg. No. 335); and

CAROL K. KAWAGUCHI, PAULINE A. MASHIMA, DOROTHY K. ONO and JAMES T. YATES, Ph.D., to the Board of Speech Pathology and Audiology, terms to expire June 30, 1998 (Gov. Msg. No. 336).

Signed by the Chairman on behalf of the Committee.

(Gov. Msg. Nos. 314, 317-333) - Ayes, 5. Noes, none. Excused, 2 (Holt, Liu).

(Gov. Msg. Nos. 334-336) - Ayes, 6. Noes, none. Excused, 1 (Holt).

**SCRep. 1551      Ways and Means on S.R. No. 228**

The purpose of this resolution is to request the legislative reference bureau to conduct a feasibility study with respect to transferring the traffic violations bureau (TVB) to the various counties.

Your Committee finds that the TVB was established during a period when traffic offenses were considered to be criminal offenses. The enactment of Act 214, Session Laws of Hawaii 1994, however, decriminalized all but the most serious traffic offenses, thereby significantly altering the procedure used for the processing of traffic citations.

Your Committee finds that since the TVB's role has been significantly changed by traffic decriminalization, certain functions presently being performed by the TVB may be more appropriately transferred from the judiciary to the counties. The transfer of the functions of the bureau to the counties may help to streamline government functions, thereby reducing bureaucracy, decreasing costs, and increasing government efficiency.

Your Committee further finds that there is a need to review the role which the TVB currently plays. Your Committee finds that although the TVB is referred to in the Hawaii Revised Statutes (HRS), that office was not established by statute upon the transfer of the bureau from the counties to the State. The role of the TVB has therefore never been clearly specified by statute.

Upon further consideration, your Committee has therefore amended this resolution by:

- (1) Noting that the TVB was not established by statute, and requesting a review of the TVB's role and function;
- (2) Requesting a review of the possible transfer of the TVB's functions from the judiciary to the counties; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 228, as amended herein, and recommends its adoption, in the form attached hereto as S.R. No. 228, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Fernandes Salling, Fukunaga, Solomon, Taniguchi, Liu).

#### **SCRep. 1552      Judiciary on H.C.R. No. 50**

The purpose of this concurrent resolution is to request the Attorney General to review laws in other jurisdictions addressing children's rights as victims or witnesses, or both, in the criminal justice system.

Your Committee finds that child abuse cases, particularly those cases involving child sexual assault victims, are difficult to prosecute. Children who are assaulted may be the only witness to the crime, are often reluctant or unable to testify, and may blame themselves for their abuse. In intrafamily sex assault cases, children may be pressured into recanting allegations of sexual assault by the perpetrator or other family members. Children are also less able than adults to recall as many surrounding circumstances about an event after the passage of time.

Your Committee finds that there is a need to reform the State's criminal justice system to recognize the special needs of child victims and witnesses. In particular, there is a need to ensure that criminal cases in which children are victims or witnesses are handled in an expedited manner without significant delays, both to increase the speed of recall and prevent erosion of the child's memory, as well as to assist in the healing process to allow child victims and witnesses to recover from traumatic criminal events.

Upon further consideration, your Committee finds that Senate Resolution No. 179, S.D. 1, which discusses similar issues involving child victims and witnesses of physical abuse, particularly sexual abuse, should be incorporated into this concurrent resolution. S.R. No. 179, S.D. 1 provides for the formation of a task force to review court rules and proposed rules regarding expedited trials for those involving child victims and witnesses.

Your Committee has therefore amended this concurrent resolution by:

- (1) Adding the substance of S.R. No. 179, S.D. 1 into this concurrent resolution. Your Committee has amended the composition of the task force established in that resolution to provide that the task force is to be chaired by the representative of the Commission on the Status of Women rather than the Director of the Victim/Witness Assistance Division of the Honolulu Office of the Prosecuting Attorney; and clarified that the Task Force is within the Judiciary with staff support provided by the Judiciary;
- (2) Requesting the Task Force, rather than the Attorney General, to conduct the review of laws in other jurisdictions addressing children's rights as victims and witnesses in the criminal justice system; and
- (3) Making other technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 50, H.D. 1, as amended herein, and recommends its adoption, in the form attached hereto as H.C.R. No. 50, H.D. 1, S.D. 1.

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, McCartney).

#### **SCRep. 1553      Judiciary on H.C.R. No. 195**

The purpose of this concurrent resolution is to express the Legislature's support of the Will of Ke Ali'i Bernice Pauahi Bishop.

The Bernice Pauahi Bishop Estate and the Kamehameha Schools have been the source of discussion and controversy. The incredible financial growth of the value of the estate in the one hundred twelve years since Princess Pauahi's death brings scrutiny from a wide range of sources. The tenets of her will, in particular those directing the selection of the trustees who manage the funds, have come under fire both in and outside of court.

The Legislature finds that the continuing assault on the trustee selection process unnecessarily erodes the public confidence in the integrity of the Judiciary. The legislature agrees with the Commission on Judicial Conduct in its Advisory Opinion No. 14-93, dated April 7, 1994. The opinion reinforces the Legislature's position that the selection process of the trustees of the Kamehameha Schools Bishop Estate is not unlawful but the members of the Supreme Court serving in their individual capacities must abide by the strictest guidelines to avoid an appearance of impropriety. The Legislature joins the Commission in urging the members of the highest court in the State to avoid or eliminate those activities likely to create a perception of impropriety. The Legislature fully believes the Justices serving in their individual capacities are capable of this lofty goal and urges them to uphold the Will of Ke Ali'i Bernice Pauahi Bishop.

Your Committee has amended this resolution by making a nonsubstantive change that clarifies the language in the last "Whereas" paragraph.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 195, H.D. 2, S.D. 1.

Signed by the Chairman on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chumbley, McCartney).

**SCRep. 1554 Executive and Judicial Appointments on Gov. Msg. No. 209**

Recommending that the Senate advise and consent to the nomination of J. N. MUSTO, Ph.D., to the Board of Directors, Research Corporation of the University of Hawaii, term to expire June 30, 1999.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Graulty, Liu).

**SCRep. 1555 Executive and Judicial Appointments on Gov. Msg. No. 293**

Recommending that the Senate advise and consent to the nominations of the following to the Hawaiian Homes Commission:

WONDA MAE AGPALSA, term to expire June 30, 1996; and

JOHN A.H. TOMOSO and THOMAS K. KAULUKUKUI, JR., terms to expire June 30, 1999.

Signed by the Chairman on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fernandes Salling, Graulty, Liu).

**SCRep. 1556 Executive and Judicial Appointments on Gov. Msg. Nos. 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, and 313**

Recommending that the Senate advise and consent to the nominations of the following:

T.B. LYONS, III, EILENE K. MORTON, HARVEY A. SHAPIRO and ORLANDO S. SORIANO to the State Highway Safety Council, terms to expire June 30, 1999 (Gov. Msg. No. 301);

DONALD K.W. LAU, NADINE K. NAKAMURA and JAMES W.Y. WONG to the Board of Directors, Housing Finance and Development Corporation, terms to expire June 30, 1999 (Gov. Msg. No. 302);

SHARRY GLASS and CINDY MCCOY to the Statewide Independent Living Council, terms to expire June 30, 1996 (Gov. Msg. No. 303);

JOHN R. MANION to the Statewide Independent Living Council, term to expire June 30, 1997 (Gov. Msg. No. 303);

KATHLEEN HOLDEN to the Statewide Independent Living Council, term to expire June 30, 1998 (Gov. Msg. No. 303);

PEARL ULUNUI GARMON, KEIKIALOHA KEKIPI, ARTHUR P. LERMA, RUBY P. MCDONALD and ELI K. NAHULU to the Island Burial Council, Island of Hawaii, terms to expire June 30, 1999 (Gov. Msg. No. 304);

LAFRANCE KAPAKA-ARBOLEDA, DAVID W. PRATT, BRUCE B. ROBINSON and KAPU C. SMITH to the Island Burial council, Islands of Kauai and Niihau, terms to expire June 30, 1999 (Gov. Msg. No. 305);

EVERETT R. DOWLING, LORETTA PAAHANA HERA and LESLIE A. KULOLOIO to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1999 (Gov. Msg. No. 306);

WILLIAM M. AKUTAGAWA, JR., and SIDNEY KELI'IPULE'OLE to the Island Burial Council, Island of Molokai, terms to expire June 30, 1999 (Gov. Msg. No. 307);

KALANI KAPU to the Island Burial Council, Island of Oahu, term to expire June 30, 1997 (Gov. Msg. No. 308);

PHYLLIS COOCHIE CAYAN, CHARLES A. EHRHORN, ELIZABETH PA MARTIN, DUNCAN KA'OHUOKA'ALA SETO and HAUNANI-KAY TRASK to the Island Burial Council, Island of Oahu, terms to expire June 30, 1999 (Gov. Msg. No. 308);

RUPERT K. CHUN to the Land Use Commission, term to expire June 30, 1999 (Gov. Msg. No. 309);

VIOLET H. HARADA to the Oahu Library Advisory Commission, term to expire June 30, 1997 (Gov. Msg. No. 310);

GEORGE K. IKEDA, Ph.D., to the Oahu Library Advisory Commission, term to expire June 30, 1998 ((Gov. Msg. No. 310);

JEANNIE H. BENDIX and ANNE PUANANI HIGGINS to the Oahu Library Advisory Commission, terms to expire June 30, 1999 (Gov. Msg. No. 310);

EDEAN D. BARNES, GORDON T.H. CHING and ANTONIA R. LAMBAYAN to the Hawaii Library Advisory Commission, terms to expire June 30, 1999 (Gov. Msg. No. 311);

FEDERICO R. CUARESMA to the Kauai Library Advisory Commission, term to expire June 30, 1998 (Gov. Msg. No. 312);

CYNTHIA MARIE HALASEY and NAOKO H. HO to the Kauai Library Advisory Commission, terms to expire June 30, 1999 (Gov. Msg. No. 312); and

ROBERT H. BUCHANAN and LINDA LINDSAY to the Maui County Library Advisory Commission, terms to expire June 30, 1999 )Gov. Msg. No. 313).

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Graulty, Holt, Liu).

**SCRep. 1557 Executive and Judicial Appointments on Gov. Msg. Nos. 178, 338, 339, 340 and 341**

Recommending that the Senate advise and consent to the nominations of the following:

JAMES W. MASTERS to the Board of Taxation Review, First Taxation District (Oahu), term to expire June 30, 1996 (Gov. Msg. No. 178);

BARBARA PIIMAILE RICHARDSON and DON I. SAKAI to the Board of Taxation Review, First Taxation District (Oahu), terms to expire June 30, 1999 (Gov. Msg. No. 338);

MIMI S.J. HU to the Board of Taxation Review, Second Taxation District (Maui County), term to expire June 30, 1999 (Gov. Msg. No. 339);

ELMER A. VIEIRA to the Board of Taxation Review, Third Taxation District (Hawaii), term to expire June 30, 1999 (Gov. Msg. No. 340); and

WILLIAM T. HONJIYO to the Board of Taxation Review, Fourth Taxation District (Kauai), term to expire June 30, 1999 (Gov. Msg. No. 341).

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1558 Executive and Judicial Appointments on Gov. Msg. Nos. 342, 343, 344, 345, 346 and 347**

Recommending that the Senate advise and consent to the nominations of the following:

BARBARA F. MILLS and EARL PA MAI TENN to the Tourism Training Council, terms to expire June 30, 1997 (Gov. Msg. No. 342);

JULIET K. AIU to the Commission on Transportation, term to expire June 30, 1999 (Gov. Msg. No. 343);

TOY G. GRICE and EDWARD M. KAWAMURA to the Advisory Board on Veterans Services, terms to expire June 30, 1999 (Gov. Msg. No. 344);

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, 1999 (Gov. Msg. No. 345);

SOLOMON K. NAONE JR., JOSE M. PADRON and BERT UYENO to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, terms to expire June 30, 1999 (Gov. Msg. No. 346); and

REGINALD H.F. YOUNG, D.Sc., to the Board of Certification of Operating Personnel in Water Treatment Plants, term to expire June 30, 1999 (Gov. Msg. No. 347).

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1559      Executive and Judicial Appointments on Gov. Msg. Nos. 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312 and 313**

Recommending that the Senate advise and consent to the nominations of the following:

T.B. LYONS, III, EILENE K. MORTON, HARVEY A. SHAPIRO and ORLANDO S. SORIANO to the State Highway Safety Council, terms to expire June 30, 1999 (Gov. Msg. No. 301);

DONALD K.W. LAU, NADINE K. NAKAMURA and JAMES W.Y. WONG to the Board of Directors, Housing Finance and Development Corporation, terms to expire June 30, 1999 (Gov. Msg. No. 302);

SHARRY GLASS and CINDY MCCOY to the Statewide Independent Living Council, terms to expire June 30, 1996 (Gov. Msg. No. 303);

JOHN R. MANION to the Statewide Independent Living Council, term to expire June 30, 1997 (Gov. Msg. No. 303);

KATHLEEN HOLDEN to the Statewide Independent Living Council, term to expire June 30, 1998 (Gov. Msg. No. 303);

PEARL ULUNUI GARMON, KEIKIALOHA KEKIPI, ARTHUR P. LERMA, RUBY P. MCDONALD and ELI K. NAHULU to the Island Burial Council, Island of Hawaii, terms to expire June 30, 1999 (Gov. Msg. No. 304);

LAFRANCE KAPAKA-ARBOLEDA, DAVID W. PRATT, BRUCE B. ROBINSON and KAPU C. SMITH to the Island Burial Council, Islands of Kauai and Niihau, terms to expire June 30, 1999 (Gov. Msg. No. 305);

EVERETT R. DOWLING, LORETTA PAAHANA HERA and LESLIE A. KULOLOIO to the Island Burial Council, Islands of Maui and Lanai, terms to expire June 30, 1999 (Gov. Msg. No. 306);

WILLIAM M. AKUTAGAWA, JR., and SIDNEY KELI'IPULE'OLE to the Island Burial Council, Island of Molokai, terms to expire June 30, 1999 (Gov. Msg. No. 307);

KALANI KAPU to the Island Burial Council, Island of Oahu, term to expire June 30, 1997 (Gov. Msg. No. 308);

PHYLLIS COOCHIE CAYAN, CHARLES A. EHRHORN, ELIZABETH PA MARTIN, DUNCAN KA'OHUOKA'ALA SETO and HAUNANI-KAY TRASK to the Island Burial Council, Island of Oahu, terms to expire June 30, 1999 (Gov. Msg. No. 308);

RUPERT K. CHUN to the Land Use Commission, term to expire June 30, 1999 (Gov. Msg. No. 309);

VIOLET H. HARADA to the Oahu Library Advisory Commission, term to expire June 30, 1997 (Gov. Msg. No. 310);

GEORGE K. IKEDA, Ph.D., to the Oahu Library Advisory Commission, term to expire June 30, 1998 (Gov. Msg. No. 310);

JEANNIE H. BENDIX and ANNE PUANANI HIGGINS to the Oahu Library Advisory Commission, terms to expire June 30, 1999 (Gov. Msg. No. 310);

EDEAN D. BARNES, GORDON T.H. CHING and ANTONIA R. LAMBAYAN to the Hawaii Library Advisory Commission, terms to expire June 30, 1999 (Gov. Msg. No. 311);

FEDERICO R. CUARESMA to the Kauai Library Advisory Commission, term to expire June 30, 1998 (Gov. Msg. No. 312);

NAOKO H. HO to the Kauai Library Advisory Commission, terms to expire June 30, 1999 (Gov. Msg. No. 312); and

ROBERT H. BUCHANAN and LINDA LINDSAY to the Maui County Library Advisory Commission, terms to expire June 30, 1999 (Gov. Msg. No. 313).

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Graulty, Holt, Liu).

**SCRep. 1560      Executive and Judicial Appointments on Gov. Msg. Nos. 315 and 316**

Recommending that the Senate advise and consent to the nominations of the following:

BENJAMIN M. ONO, M.D., BERNARD ROBINSON, M.D., ANTONIO K. TAN, M.D., and KENDALL C.S. WONG to the Board of Medical Examiners, terms to expire June 30, 1999 (Gov. Msg. No. 315); and

PETER N. ADAMS, KUHIO ASAM, M.D., MARTHA DIANE BURT, RANDOLPH C. HACK, DIERDRE MAMIYA and KATHLEEN G. RHODES to the State Council on Mental Health, terms to expire June 30, 1999 (Gov. Msg. No. 316).

Signed by the Chairman on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Graulty).

**SCRep. 1561      Executive and Judicial Appointments on Gov. Msg. No. 337**

Recommending that the Senate advise and consent to the nominations of ALFRED FERNANDES, J. THOMAS MALONEY, JR., MIKI OKUMURA, THOMAS C. PEARSON, PHYLLIS N.T. SHEA and BETTE TATUM to the Tax Review Commission, terms to expire upon the adjournment sine die of the Second Regular Session of the Legislature.

Signed by the Chairman on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Holt).

**SCRep. 1562      Executive and Judicial Appointments on Gov. Msg. Nos. 355, 356, 357, 358, 359, 360, 361, 362, 363, 364 and 370**

Recommending that the Senate advise and consent to the nominations of the following:

GLENN IOANE TEVES to the Community-Based Development Advisory Council, term to expire June 30, 1997 (Gov. Msg. No. 355);

VINCE G. BAGOYO, JR., and JANE HIGA TESTA to the Community-Based Development Advisory Council, terms to expire June 30, 1998 (Gov. Msg. No. 355);

CHRISTINE VAN BERGEIJK, MICHAEL J. COY, DAVID B. FISHER and ALAN T. MURAKAMI to the Community-Based Development Advisory Council, terms to expire June 30, 1999 (Gov. Msg. No. 355);

MARVIN R. KOGA and KENNETH T. TOKUNAGA to the Contractors License Board, terms to expire June 30, 1999 (Gov. Msg. No. 356);

HIDEO ORIDE to the Kauai Library Advisory Commission, term to expire June 30, 1999 (Gov. Msg. No. 357);

LYN S. BONK to the Molokai Irrigation System Water Users Advisory Board, term to expire June 30, 1999 (Gov. Msg. No. 358)

ARLENE J. HICKS to the Board of Dispensing Opticians, term to expire June 30, 1999 (Gov. Msg. No. 359);

NAOMI KINOSHITA WADA, P.T., to the Board of Physical Therapy, term to expire June 30, 1997 (Gov. Msg. No. 360);

RICHARD CHAMBERLAIN to the Board of Public Broadcasting, term to expire June 30, 1999 (Gov. Msg. No. 361);

CRAIG K. HIRAI to the Rental Housing Trust Fund Commission, term to expire June 30, 1999 (Gov. Msg. No. 362);

KEN H. TAKAYAMA to the Commission to Promote Uniform Legislation, term to expire June 30, 1999 (Gov. Msg. No. 363);

RICHARD H. COX to the Commission on Water Resource Management, term to expire June 30, 1995 (Gov. Msg. No. 364);

RICHARD H. COX to the Commission on Water Resource Management, term to expire June 30, 1999 (Gov. Msg. No. 364);

GARY BALDWIN to the Board of Directors, High Technology Development Corporation, term to expire June 30, 1998 (Gov. Msg. No. 370); and

BOBBY JEAN LEITHEAD-TODD to the Board of Directors, High Technology Development Corporation, term to expire June 30, 1999 (Gov. Msg. No. 370).

Signed by the Chairman on behalf of the Committee.  
(Gov. Msg. Nos. 355-364) - Ayes, 6. Noes, none. Excused, 1 (Graulity).  
(Gov. Msg. No. 370) - Ayes, 5. Noes, none. Excused, 2 (Fernandes Salling, Graulity).

**SCRep. 1563      (Joint) Consumer Protection and Judiciary on H.B. No. 806**

The purpose of this bill is to repeal the sunset provision of Act 2, Special Session Laws of Hawaii 1986.

Act 2 is better known as the "tort reform act" of 1986. It is scheduled for repeal on October 1, 1995.

Act 2 is a comprehensive combination of reforms to both the tort system and the insurance regulatory system, intended to alleviate the seriousness of the insurance crisis and to prevent the recurrence of that crisis. Your Committees find that the tort reform provisions of that Act have proven effective in accomplishing their intended purpose and should therefore be made permanent to perpetuate the improvements.

The Auditor's Report No. 94-26 recommended that the entire Act 2 be made permanent.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 806 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairmen on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 2 (Aki, Levin).

**SCRep. 1564      Ways and Means on H.B. No. 283**

The purpose of this bill is to protect property located in Hawaii from attachment and execution by other states that have obtained judgments against Hawaii residents for unpaid income taxes on their pensions.

Hawaii does not tax pension income as some other states do, for example California. Under the California law, Hawaii residents who earned pensions in California are subject to income tax under the California income tax law, even though they now reside in Hawaii. The legislature finds that there is a fundamental unfairness in this concept and should exercise its duty to protect the interests of Hawaii residents.

The legislature is also cognizant of the full faith and credit clause of the United States Constitution and chooses to join other states that have passed similar laws to protect their residents. The United States Congress has shown some support in this area by attempting to limit a State's ability to tax pension income and is currently considering H.R. No. 744 during this 104th Congress that would limit a State's authority to tax the first \$25,000 of pension income. Your Committee recognizes this is not a straight-forward issue. A full resolution of this issue may only be found through formal legal challenge of this proposed protective law in the courts. Yet the fact remains that this bill provides the necessary first step to establish the protections needed by these Hawaii residents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 283 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1565      Ways and Means on H.B. No. 295**

The purpose of this bill is to increase the simple interest rate for loans made under the state higher education loan fund ("SHELF") and to increase the expenditure ceiling for loan collection and administrative expenses.

Specifically, this bill increases the interest rate from three per cent to five per cent simple interest. Additionally, this measure raises from one per cent to two per cent the portion of the amount of total loans outstanding that the University of Hawaii is authorized to expend from SHELF for collection expenses.

Your Committee finds that this bill is identical to S.B. 1624, for which your Committee had earlier recommended passage on third reading. The justification offered for the favorable consideration of the earlier bill applies to this one as well. Specifically, the higher rate of interest is more realistic, comparable to that of the federal student loan programs. Also, the higher limit for collection expenses should afford the University of Hawaii with needed, additional funds to meet rising annual collection expenses and ensure, through successful collection efforts, the availability of funds for future student loans.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Bunda, Tanaka).

**SCRep. 1566      Ways and Means on H.B. No. 1687**

The purpose of this bill is to allow the board of trustees of the Hawaii public employees health fund to negotiate or use other competitive procedures to select an insurance carrier or third-party administrator for any benefit plan of the health fund.

This bill allows the board of trustees to make such a selection based on the board's specifications and considerations without regard to the Hawaii Public Procurement Code (chapter 103D, Hawaii Revised Statutes).

Your Committee finds that this exemption from the procurement code will enable a more cost-effective selection of an insurance carrier or third-party administrator for the public employees health fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1687, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1567      Ways and Means on H.B. No. 1838**

The purpose of this bill is to allow the board of agriculture to adopt all federal poultry inspection regulations as rules of the department without regard to the public notice and hearing requirements of the Hawaii Administrative Procedure Act.

Your Committee finds that this bill provides for increased efficiency in incorporating changes to the federal poultry inspection regulations governing the State's poultry inspection program. Federal regulations have been adopted by the

board as rules to assure compliance with the federal Poultry Products Inspection Act, and to provide that Hawaii's program enforces requirements equal to those of the federal program.

Your Committee finds that this bill relieves the board from the administrative task of drafting and adopting rule amendments and holding hearings on each of the neighbor islands each time that a federal regulation is changed. Because the federal regulatory changes must be adopted if the State is to enforce requirements equal to the federal requirements under federal law, your Committee finds that this bill will alleviate the unreasonable burdens currently placed on the board.

In addition, your Committee finds that although this bill exempts the board from the public notice and hearing requirements of chapter 91, Hawaii Revised Statutes, the public still retains the opportunity to provide input with respect to each federal regulatory change, since federal changes are published in the Federal Register where they are subject to a public comment period. The bill also requires the department to publish in a newspaper of general circulation a notice that includes a statement of the substance of the proposed rule or a general description of the subjects involved and the purposes to be achieved by the rule, and a statement that a copy of the proposed rule will be mailed to any interested persons who request a copy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1838, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1568      Ways and Means on H.B. No. 1840**

The purpose of this bill is to permit payment by credit cards deemed acceptable by the comptroller for goods or services provided at the animal quarantine station.

Your Committee finds that at present, payment for quarantine fees must be made in advance. Certain owners unable to pay are allowed to sign promissory notes. This arrangement is not wholly satisfactory to either the owners or the State. For those who pay up front, payment of hundreds of dollars per animal comes at a financially awkward time, and when added to the other costs of moving and obtaining a residence in the State, can be a crushing burden. For those paying by promissory note, the State takes additional financial risk by providing services that may not be reimbursed, if the owner abandons life in Hawaii and moves back to the mainland, leaving the animal behind, unwanted and unpaid for. Additionally, the tracking of the promissory notes and attempts to collect on them are very labor intensive, not altogether successful, and in light of the current budget situation, have a negative impact on limited staff resources.

Your Committee finds that permitting payment by credit card will provide more fiscal leeway for owners, who can use revolving credit to spread out the payments. It will also benefit the State by relieving it from the task of tracking promissory notes and by giving the State more financial security by receiving the payment from the credit card company, rather than relying on a check that may later be dishonored. The bill allows the department to charge a service fee that can cover the costs charged to the State by the credit card company for use of the card.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1840 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1569      Ways and Means on H.B. No. 1841**

The purpose of this bill is to give the department of agriculture the authority to make direct loans to qualified aquaculturists who are unable to obtain loans from a farm credit lender and two other private lenders.

Your Committee finds that aquaculture is a viable industry for Hawaii, given the State's climate and access to water, both fresh and sea. The growing and harvesting of a variety of aquaculture products help to diversify Hawaii's economy, provide jobs, and promote island-grown products instead of imported ones. Aquaculture requires start-up costs ranging from land, farm facilities, and fishstock, to equipment and operating expenses. The existing law does not clearly state that the department has authority to make direct loans for aquaculture purposes. Your Committee finds that this bill accomplishes this goal.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1841, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Bunda, Fernandes Salling, Solomon, Tanaka, Liu).

**SCRep. 1570      Ways and Means on H.B. No. 1842**

The purpose of this bill is to repeal the law which authorizes the department of agriculture to make loans to independent sugar growers in the State.

Your Committee finds that section 155-15, Hawaii Revised Statutes, was established to enable the department of agriculture to assist independent sugar growers in the repayment of crop and production loans made by private lenders. With the decline of sugar production in Hawaii, crop financing through private sources has decreased. With no independent cane growers remaining in production in the State, the provision allowing the department to assist such operations is no longer necessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1842 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu)

**SCRep. 1571      Ways and Means on H.B. No. 1844**

The purpose of this bill is to allow the department of agriculture to defer the first payment of interest for agricultural loans, which are made for planting and cultivation of lands used for crops that require at least eighteen months to mature, for up to two years from the issuance of the loan.

Your Committee finds that interest payments on farm operating loans can increase initial operating expenses, which in turn can interfere with the planting and cultivation of lands used for slow-growing crops, which in turn can endanger the health of crops and livestock used to secure these loans. Your Committee finds that deferring payments of interest until crops or livestock mature is a sound way of ensuring a bountiful harvest for farmers and the timely repayment of loans for the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1844, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1572      Ways and Means on H.B. No. 1846**

The purpose of this bill is to simplify the insurance fee payment procedures for guarantees provided by the department of agriculture on agricultural and aquacultural loans originated by private lenders.

Your Committee finds that the present method of calculating insurance fees for agriculture and aquaculture loans is cumbersome for private lenders to calculate and for the department of agriculture to monitor. Simplifying the payment process and enabling private lenders to pass on the insurance fees to borrowers will allow these lenders to have the same return on comparable loans without resorting to charging a higher rate of interest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1846, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1573      Ways and Means on H.B. No. 1847**

The purpose of this bill is to authorize the department of agriculture to execute contracts, cooperative agreements, and other transactions with any person, agency, or organization, without securing the prior approval of the governor.

Your Committee finds that current law requires the department of agriculture to secure the approval of the governor prior to executing contracts or agreements with public or private organizations. As a result, the department spends a substantial amount of time seeking the approval of the governor prior to negotiating these agreements. Enabling the department to execute these agreements independently will streamline the process and ensure uniformity with the procedures of other state agencies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1847 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1574      Ways and Means on H.B. No. 1875**

The purpose of this bill is to conform the state foreign-trade zone law with federal regulations and to explicitly allow the use of the foreign-trade zone special fund for capital improvements.

Your Committee finds that this bill is necessary to clarify the exemption from taxes for merchandise admitted into a foreign-trade zone. This bill conforms the provision to current federal regulations by replacing the classifications of "privileged domestic merchandise" and "nonprivileged domestic merchandise" with the single classification of "domestic

merchandise". This bill also permits the use of moneys from the foreign trade zone special fund for capital improvement of the zone.

Your Committee finds that H.B. No. 1875 is identical to S.B. No. 1734. Your Committee recommended the passage of S.B. No. 1734 on March 3, 1995, in Standing Committee Report No. 611 and continues to find that it is in the best interest of the State to conform to federal regulations where applicable and that expenditures for capital improvements of the zone are within the bounds of reasonable and acceptable uses of the moneys deposited into the foreign-trade zone fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1575      Ways and Means on H.B. No. 1877**

The purpose of this bill is to repeal chapter 211, Hawaii Revised Statutes, which authorizes the director of business, economic development, and tourism to guarantee commercial loans made by private lenders to businesses authorized to operate in the State.

Your Committee finds since the passage of the law in 1965, the department of business, economic development, and tourism has never exercised the authority to guarantee commercial loans originated by private lending institutions to eligible businesses. The availability of loan guarantees from the federal government has made the state loan guarantee program unnecessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1877 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1576      Ways and Means on H.B. No. 1923**

The purpose of this bill is to require domestic mutual benefit societies to file with the insurance commissioner annual audits prepared by independent certified public accountants.

Specifically, this bill allows mutual benefit societies to use either generally accepted accounting principles or statutory accounting principles in preparing the audited financial statements. Furthermore, this measure requires mutual benefit societies to give the insurance commissioner annual prior notice of the designated auditor, and authorizes the insurance commissioner to disapprove of that designation within fifteen days of notice. Also, the insurance commissioner may suspend or revoke the certificate of compliance of a mutual benefit society, or fine it between \$100 and \$500 for each day of delinquency, or do both, for a failure to file.

Your Committee finds that mutual benefit societies make benefit payments to its members for sickness, disability, or death in exchange for premiums. They also provide health care coverage to a significant portion of the community. These organizations serve social functions that are quite similar to those served by accident and sickness insurers, and should likewise be subject to similar levels of public oversight. However, your Committee finds that while domestic insurers are required to file financial statements audited by a certified public accountant, mutual benefit societies need only file unaudited statements. This bill attempts to cure perceived inequities in the law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1923, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1577      Ways and Means on H.B. No. 1987**

The purpose of this bill is to extend the repeal date for the non-medicaid personal care program two years from June 30, 1995, to June 30, 1997.

The non-medicaid personal care program enables about sixty gap-group disabled, chronically ill, and frail elderly who are not eligible for medicaid to receive support services. Recipients pay for these services on a sliding fee system based on income, assets, and family size, as established by the department of human services. The balance is paid from the State's general fund from which moneys are already included in the department's current fiscal biennium budget.

Your Committee finds that extending this program will prevent the much more costly institutionalization of many of these recipients.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 1578      Ways and Means on H.B. No. 2008**

The purpose of this bill is to allow the department of land and natural resources to issue licenses to qualified aquaculturists.

This bill also allows the department to adopt rules setting the conditions for license terms, fees, and the use of those licenses.

Your Committee finds that there are certain kinds of aquatic life the fishing, possession, or sale of which is prohibited according to season, minimum size, or bag limit. The reason for these limitations or restrictions is usually to protect the species from overfishing. However, there is no provision which would allow these same fish to be caught or sold if raised in an aquaculture facility. Aquaculture is an industry which suits Hawaii's climate and could lead to becoming an important food resource. In light of this, your Committee feels that by issuing licenses to qualified aquaculturists, it would be possible not only to keep tabs on the number and kinds of fish being held, raised, or sold, which actions would otherwise be prohibited for a variety of reasons, but also, these kinds of fish would be available legitimately to consumers when not usually in season.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2008 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1579      Ways and Means on H.B. No. 2021**

The purpose of this bill is to appropriate \$1,218,555.29 for deposit into the criminal injuries compensation fund to compensate victims of crime and their service providers.

Your Committee finds that, pursuant to chapter 351, Hawaii Revised Statutes, the criminal injuries compensation commission is charged with determining the appropriate compensation for victims of crime, who include: actual victims of certain offenses; persons who have suffered loss or incurred hospital, medical, funeral, or burial expenses as a result of a victim's injury or death; dependents of a deceased victim; and persons who suffer personal injury or property damage in the course of preventing a crime.

Your Committee believes that this support for victims of crime is a necessary and just measure that makes somewhat more bearable the physical, psychological, or emotional injuries suffered by victims of crime and their dependents.

Your Committee further finds that the appropriations in this bill are necessary to fund the awards made by the commission between July 1, 1993 and June 30, 1994. These awards averaged \$1,600 per case for more than seven hundred applicants.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2021, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairman on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1580      Ways and Means on H.B. No. 2025**

The purpose of this bill is to extend the period in which the department of public safety may initiate construction on the third phase of the women's community correctional center (WCCC) without legislative approval from July 1, 1995 to July 1, 1998.

Your Committee finds that the department has had to wait until the office of youth services completed its new facility and relocated wards out of the Olomana cottage before initiation of the third phase of the WCCC could commence. Currently, the legislature is reviewing capital improvement project recommendations to underwrite the renovations needed to convert Olomana cottage as the place in which the department can accommodate the needs of its adult female pretrial inmate population on Oahu. If the funding is granted, the department intends to proceed to complete this phase of development to satisfy its obligations under the Spear v. Waihee consent decree.

Your Committee finds that extension of the statutory time period until 1998 will ensure that the department has sufficient opportunity to complete this phase at the WCCC, and will allow the department to relocate adult females from the Oahu community correctional center and convert the module that they are presently occupying back to housing male pretrial inmates.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2025 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1581      Ways and Means on H.B. No. 2034**

The purpose of this bill is to conform the allocation and apportionment of the income of financial institutions to the Uniform Division of Income for Tax Purposes Act (UDIPTA).

By repealing provisions in the current law requiring the separate accounting for financial institutions in situations where the financial institution has taxable income both within and without Hawaii, provisions of UDIPTA will be effective. This will provide a more accurate reflection of income. UDIPTA is the method of taxation that is used generally by other states and with the advent of interstate banking this amendment will simplify taxation for financial institutions.

This bill is substantively similar to S.B. No. 1572, which your Committee recommended for passage on Third Reading in Standing Committee Report No. 600, dated March 3, 1995, except the effective date has been extended from January 1, 1996 to January 1, 1997. Your Committee finds the extension of the effective date will allow the department of taxation adequate time to adopt rules and give the financial institutions time to apply and adjust to this new method of taxation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2034, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Solomon, Tanaka, Liu).

**SCRep. 1582      Ways and Means on H.B. No. 2053**

The purpose of this bill is to statutorily recognize that transportation demand management programs are formally distinct from transportation systems management programs.

Additionally, this bill expands the scope of management programs to cover telecommuting and pedestrian programs. Also, this measure repeals provisions relating to the historical evolution of the department.

Your Committee finds that the present law recognizes the department's responsibility for "supply side" programs, in transportation systems management. It does not expressly recognize the department's responsibility for "demand side" programs, in transportation demand management. Reportedly, the two types of management programs are also overseen by two separate divisions within the department. Also, two significant demand side programs that are not presently listed in the law are pedestrian and telecommuting programs.

Your Committee believes that this measure will help delineate the distinct duties of the department with regards to its management programs.

Your Committee further notes that this bill is substantively similar to S.B. No. 1601, S.D. 1, which was recommended for passage on Third Reading by your Committee in Standing Committee Report No. 793, dated March 3, 1995. The single difference between the two bills is that the present measure repeals language pertaining to the historical development of the department, specifically, its assumption of highway functions formerly exercised by the department of public works and of the functions formerly exercised by the Hawaii aeronautics commission, the board of harbor commissioners, and the highway commission. While this language provides historical perspective on the lineage of the department, your Committee believes on further reflection that streamlined clarity is gained by their deletion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2053 and recommends that it pass Third Reading.

Signed by the Chairman on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

**SCRep. 1583      Ecology and Environmental Protection on S.R. No. 248**

The purpose of this Senate Resolution is to request the Department of Health, as part of its long-range environmental planning, to develop a community awareness program for educating individuals and businesses on how to protect and preserve the environment.

Your Committee received testimony from the Department of Health supporting S.B. No. 201, and indicating that this Resolution is not necessary.

Upon further consideration, your Committee has amended this Resolution by deleting its contents and replacing it with language requesting the Senate President to appoint an Interim Committee on Ecology and Environmental Protection to establish goals and objectives for the long-term management and protection of Hawaii's environment. This Committee is to work with other government offices, community groups, and interested organizations to accomplish various environmental related tasks. Your Committee believes that this Resolution, as amended, is necessary and will help move the State towards long-term success in environmental protection.

As affirmed by the record of votes of the members of your Committee on Ecology and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 248, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 248, S.D. 1.

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Signed by the Chairman on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Aki, Ikeda).